THE FINANCIAL POST

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FUNDS AVAILABLE FOR EXPANSION OF INDUSTRIES

Business Expansion Should Not be Checked for Money

LABOR SHORTAGE

Situation Promises to Become Serious With Opening of the Farming Season—Cautious in States

The recent reduction by the banks in the call money rate at Montreal may be taken as an indication of a general easing in rates on bank funds. Money is easy and while this is indicated only in a shading of the general commercial and industrial rates and a cut of half of one per cent. to brokers, it indicates that funds are freely available for industrial and commercial expansion and for such agricultural operations as come within the scope of sound banking. The improvement in business may, therefore, be expected to continue. The free supply of money in this connection may tend to encourage inflation as it has evidently been doing in the United States, but as yet there would seem to be nothing to cause apprehension in Canada and in this country the big chartered banks are in a better position to control both stock market speculation and commodity inflation than are the unit banks of the United States, and in view of experiences in recent years they may be expected to endeavor to do so.

Reports from industrial centres all over the country indicate increasing activities with a considerable number of plants planning increased facilities to take care of their business. The season has been late for the opening of spring retail business but there has been improvement in wholesale circles with the prospects of better trade to come.

Labor Shortage is Real

With the expansion of industrial activities the labor shortage is becoming more and more pronounced. In manufacturing centres like Hamilton a scarcity of skilled help is reported. This absorption of labor in the cities promises to create a shortage which will be reflected in agricultural activities later. A significant report is from the government employment agent at Saskatoon stating that the demand for farm help cannot be met now and this demand will increase with the advance of the season. This is one of the many signs which indicate that confidence in the agricultural situation is returning with the opening of a new season. This same return of confidence is also shown in a strengthening demand for foundation stock for breeding purposes; stock-raising is evidently appealing to an increasing number of farmers as the solution of the problem of finding a profitable method of marketing field crops.

Prosperity on the Coast

Industrial conditions in British Columbia are much better than a year ago. The demand for flour is active, with increasing orders from China and Japan which are more than the mills can conveniently take care of. The lumber industry is buoyant with the American demand holding up and increasing orders from the Orient, particularly from Japan. There is an actual shortage of labor following the exodus of workers to the United States to participate in the Californian boom. The prairies are looking for 1,500 men from the Coast but they will not be available. The wheat shipping season resulted in the movement of some 15,000,000 bushels or double the amount of the previous season, and this amount would have been even greater had facilities permitted. Altogether the situation in British Columbia is such that renewed efforts will be made by the government to encourage immigration on the ground that such efforts should be more successful during a period of industrial prosperity when there is plenty of work at good wages than during a period of depression.

The Note of Caution

Although there has not been a boom in Canada in keeping with conditions in the United States, it is not to be overlooked that in this country the business cycles follow closely in the course of those of the country to the south. The note of caution being sounded by conservative students of the situation over there should not be disregarded. The Cleveland Trust Company points out that no one can foretell just when the top of the present period of prosperity will come, but the safest course is to expect that the rule that has held good during the past 30 years will continue to operate, and that the highest point in these good times will come about three and a third years after the last high point. Since the top of the previous period of prosperity came in the early months of 1920, that estimate would suggest the likelihood that the top of this period might be reached by the latter months of 1923.

The Duluth-Superior Traction Company reports passenger earnings for the week ending March 14th amounting to $37,288 compared with $34,685 for the corresponding period in 1922, an increase of $2,603 or 7.5 per cent.

A PAPER'S INFLUENCE

In the fall of 1922 the Canadian Clipping Service instituted a detailed survey of the entire Canadian press with the idea of ascertaining those newspapers which are most frequently quoted by their contemporaries. In a statement issued by the manager, R. E. Tait, it is declared:

"In the case of the financial journals it was ascertained that THE FINANCIAL POST of Toronto easily led its contemporary field; in fact during a recent check this paper demonstrated its ability to present a news and editorial program of such national interest as to occasion frequency of quotations to a greater extent than all the other financial journals combined.

RECEIPT TAX TO GO; CHECK TAX REDUCED

Important Changes in Stamp Taxes Are Being Forecast for the Budget

Rumors of two or three more or less drastic changes in business taxes are discussed in an Ottawa special to Canadian Grocer. These are said to be:

1. Cancellation of the Receipt Tax.
2. Cancellation of the Excise Tax on beverages and confectionery.
3. Change in stamp tax on cheques, documents, etc. This change would be maintaining the present 2c. stamp on cheques up to $100 and above that, 4c. only, instead of the present graded scale.

The government has secured a much greater revenue from the Sales Tax than it anticipated, which leaves it in a position to make some changes in those taxes that have proven more or less of an annoyance to business men.

COAST CITIES LOOK FOR LOWER INTEREST

Victoria Contemplates Refunding Issue of 5 Per Cent. Bonds

From Our Own Correspondent.

VICTORIA.—Improvement in the bond market generally and strengthening of confidence in the future of the Pacific coast is enabling the cities of British Columbia to count on better terms than formerly obtainable for their security issues.

The city of Victoria is contemplating 5 per cent. as the interest rate for its refunding issue of $1,300,000 this year, instead of 5½ per cent., which has ruled in the past. It is believed that 5 per cent. bonds could be floated at a price between 96 and 97. Last year's refunding loan was financed on a 5½ per cent. basis and the bonds were sold at a fraction over 97.

Vancouver city's credit has improved materially and bids for $275,000 debentures received within the last few days have been above par. Pemberton and Sons, and Wood, Gundy and Company formed the syndicate which took over the issue, at a price of 99.947.

The possibility of fluctuation in exchange was the factor which persuaded the Vancouver council not to accept the above-par bids. The Pemberton-Wood, Gundy bid stipulated for payment in Canada only. A. E. Ames and Company submitted a tender of 11.666 for bonds payable at purchaser's option in Canada or United States funds.

Blue Sky Laws Now Proposed in B.C.

From Our Own Correspondent.

VICTORIA.—As a result of the L. R. Steel collapse and the loss of thousands of dollars by British Columbia investors, the provincial authorities here are again considering the advisability of adopting blue sky legislation, which is something that the province has always lacked.

Public Ownership Has Not Cut Toronto's Taxes

It takes three and a half times the amount of taxes per capita of population to run the city of Toronto that it did twenty-eight years ago.

In this connection it would be interesting to have some explanation of the alleged benefits of public ownership as illustrated by the Hydro-Electric, and other enterprises.

Reduction in Cigarette Taxes is Anticipated

From Our Own Correspondent.

MONTREAL.—Tobacco manufacturers are looking for a reduction in cigarette taxes when Mr. Fielding presents his budget. Present taxes are $7.50 per thousand and a return to former levels of $6.00 is expected. A striking indication of the certainty in the minds of the manufacturers, was an announcement of Macdonald's this week that they "have lowered prices of cigarettes in anticipation of reduction in cigarette taxes through the new budget."

OPPOSITION TO IDEA OF FIXING RESALE PRICES

New Combines Act is Regarded as Being Too Sweeping

There are one or two important points of difference between the Combines and Investigation Acts of 1923 and the Combines and Fair Prices Act of 1919. Perhaps the most important is in the clause referring to the fixing of a resale price on the part of a manufacturer. This clause reads in full as follows:

"Any actual or tacit contract, agreement, arrangement or combination which has or is designed to have the effect of fixing a common price or resale price, or a common rental, or a common cost of storage or transportation."

The part dealing with the administration of the act states that the governor in council may name a minister of the Crown to be charged with the general administration of the act, and shall appoint a registrar to be known as the Registrar of the Combines Investigation Act. The duty of this registrar is to deal with applications for investigation of any alleged combines. He may call for information from the manufacturer, and may make any enquiry he considers is necessary in order to go thoroughly into the matter brought to his attention.

Any person resident in Canada of full age of 21 years who thinks that a combine exists or is being formed may apply in writing to the registrar for investigation, and place before him the evidence on which his opinion is based.

This puts it up pretty much to the registrar as to whether any alleged combine will be investigated. It would seem that if he were opposed to a manufacturer being permitted to fix his resale price, he could go a long way to bringing an action against such manufacturer. On the other hand, if he were favorably disposed to the resale price agreement plan, the investigation would not likely proceed. The act apparently plainly states that it includes any firm that fixes a common or resale price. If taken at its face value, this would affect the automobile companies as well as manufacturers in practically every other line.

Canadian Grocer predicts strong representation being made to Ottawa against this particular clause. It is understood that the wholesale grocers and food manufacturers are considering the matter and it is quite likely they will send a deputation to interview the Prime Minister, who is responsible for the bill.

There is a strong agitation among a certain body of wholesalers and manufacturers to have selling plans, resale price agreement, etc., submitted to someone in authority for his approval before putting them into effect. He would have to consider the margin to the wholesaler and the probable margin to the retailer, and go into the entire plan. Once approved by him the manufacturer could proceed without further objection from any government authority. This will likely be suggested to the Premier.

Another significant difference between the present and the former acts is that the word "unduly" does not appear in the new one. At the recent investigation into the operations of the Wholesale Grocers' Association this word was frequently quoted and it was contended that nothing that had been done "unduly" affected prices. Without that word the act would have a much wider scope. This probably will also be taken up when the deputations go to Ottawa.

Prairie Governments Now Realizing the Dangers of Paternalistic Legislation

From Our Own Correspondent.

WINNIPEG.—In the slow but steady growth of public opinion here in the West the trend is distinctly against paternalism in all three of the Western provinces. Credit-funding, bank-facilitating and lower-rate-of interest "aids" to farmers are getting a shorter shift.

Premier Dunning in his budget speech to the Saskatchewan legislature ignored the idea of a provincial bank, an omission which brought a criticism from Geo. Robertson, M. L. A. for Wynyard. Mr. Robertson deplored the absence of improved rural credits and advocated that the government should institute a provincial savings bank operated along similar lines to the Commonwealth Bank of Australia to gather funds for the Farm Loans Board. If the idea of a provincial bank was carried to its logical conclusion, he said, an agency could be established in every school district of Saskatchewan. T. H. Garry, government member for Yorkton, replying to Mr. Robertson, advanced economic arguments against the creation of a provincial bank; that, "in a province where the people are nearly all borrowers the government would be unable to secure enough money from deposits to satisfy even a small proportion of applications for loans."

Alberta has been confronted with the same problem. "It is unnecessary to comment in detail upon a situation which has caused capital to quit doing business in a province which is now and will continue to be so largely dependent upon outside capital for its development," declares the Calgary Herald, in a pertinent analysis of Alberta's financial state. The Calgary business conference in declining to consider any suggestion of funding agrarian debts and extending payment over a period of years, recognized the menace to the general credit of the province lurking in such a proposal. "This conference is of the opinion that any funding scheme is not presently feasible and that the Drought Relief Act

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Quebec Encourages Private Initiative in Power Field

Development Proceeding at an Unprecedented Rate—Province Retains Ownership of Every Water Power Site But Offers Advantageous Terms to Those Who Will Lease and Produce Power

From Our Own Correspondent.

MONTREAL.—Quebec under private ownership and Ontario under public ownership have been most active of Canadian provinces in water power development. Canada has approximately 1,500,000 h.p. of electrical energy under private ownership of which about two-thirds is in the province of Quebec and about 700,000 h.p. under public ownership of which four-fifths at least is in Ontario.

Quebec has no plans for putting hydro-electric development under public ownership and is going ahead with new undertakings at a more rapid rate than any other Canadian province. Of the province's potential water power capacity of 15,000,000 h.p.—including Northern Quebec—more than 1,000,000 h.p. has actually been put under development. But a small proportion of this total has been developed by municipalities; none by the province on any broad scale of public ownership. On the other hand private initiative has been given every encouragement consistent with keeping for the province absolute control over its natural resources. Since 1884 no water powers have been alienated to the complete ownership of any individual. The province retains ownership of every water power and derives a large annual revenue from the private development of its water power energy.

Province Retains Control

The present plan of hydro development by private contract came into effect in 1909. Water power sites in the provinces are leased for a term of years and at a certain rental. By fulfilling the terms of his obligation the lessee becomes the practical owner of the property. At the end of the term specified in the lease—often 99 years—the water power site and all dams, buildings, plant, etc., revert to the province and become provincial property unless the lease is renewed for a further term of years. By this plan the government is assured that the rights of the people will always be respected and that control of the natural resources will not get into foreign hands for all time.

The province gets a good rental from these water power leases. In 1914 the annual revenue was $30,000. It is now over $300,000 and rapidly growing, Hon. Honore Mercier, Minister of Lands and Forests, told a Montreal gathering this week.

Quebec has gone into an extensive scheme of storage of waters on its rivers to provide the maximum production of power. A body called the Quebec Streams Commission has been intrusted with the regulation of the flow of rivers in the province. One work of the commission has been the construction of dams on the St. Maurice, the St. Francis and other rivers. The Gouin dam on the St. Maurice holds more water than the far famed Assouan dam on the Nile. It has a water area of over 300 square miles and holds 160 billion cu. ft. of water and provides a water power reserve of 220,000 h.p. for four companies. The dam was built by the province, but represents no cost to the tax payers, for the water power companies benefiting from its construction are required to pay annual rentals, sufficient to meet all interest charges, to build up a sinking fund to pay in 30 years the bonds issued for construction, and to return an annual profit to the province in addition.

Another Storage Dam

The contract has just been awarded for a similar dam — though a

(Continued on Page 8)

The West Offers Prosperity for the Industrious and the Thrifty

Evidence That the Timorous Cries of the Faint-Hearted Are Arousing the Ire of the Thousands Who Have Made Good by Hard Work

There are signs that Parliament and the country are growing tired of the Jeremiahs who would lead strangers, unfamiliar with actual conditions, to believe that Canada, and especially the western portion of it, were about the last place to settle. One can quite believe that western agriculture is much depressed, and that its recovery may be very slow, but that the West is a country in which the stranger who is industrious, thrifty and of good character may look forward with hope, has been demonstrated by the signal success achieved by many Old Countrymen, whose only assets were a sound body, willingness to work, and good sense.

It is no wonder that Robert Hoey, an Irishman who, coming to Canada as a young lad without money or position, had wrung from adversity a college education and a seat in Parliament, could endure no longer these lamentations, and rising told briefly the story of the successful struggle of a young immigrant, which in reality was his own experience. That story is so inspiring that it merits repetition; here it is:

"I can remember an immigrant who came to this country some fourteen years ago. When he arrived in the city of Quebec he had not $35 which, at that time, it was necessary for him to have in order to land. But by his ingenuity he evaded the immigration authorities and got in. He came up to the city of Montreal, and unemployment at that time was rampant. After two hours' search he secured a job in a Montreal tannery owned by a Scotchman, washing and stretching hides. The old employer said to him, 'The work is difficult and onerous, but the wages are high,' and he received for his work in that tannery for two months $7 a week. He saved in that two months enough money to take him to Fort Francis in New Ontario, where he obtained a position at $400 a year, where he worked for two years and saved enough to enable him to take a five-year university course—that is, with the little additional sums he was able to earn during the college vacation.

"We sometimes hear of men liv-

(Continued on page 15)

Alberta may remove the provincial tax of ten cents a ton on coal shipments out of the province to Eastern Canada.

C.G.E. Has Poor Report But Bookings Are Heavy

The annual report of the Canadian General Electric Company which will be submitted to the shareholders at the annual meeting will not in itself present information to explain the recent improvement in the price of the company's stock. New profits of less than $150,000 will be shown, reserves having been used for the payment of interest and dividends.

However, those in touch with the company's affairs believe that the recent advance in the stock is fully warranted in recent orders. Some big business has been secured. One statement is that there is as much business now on the books as was handled during the year covered by the annual report. These orders are particularly significant in relation to the earnings of such a big concern not only for the direct profits, which may be small, but in the reduction of overhead charges on plant operation, permitting a fair margin of profit on other lines.

A Receivership for Clarke Brothers Asked

A receivership for the affairs of Clarke Brothers, Limited, pulp, paper and fibre board manufacturers, of Bear River, Nova Scotia, has been sought this week on behalf of two applicants, the first a Canadian, the second Perkins, Goodwin & Co., the large paper board house of New York city. This temporarily stops the negotiations whereby it was hoped Perkins, Goodwin & Co. would take over the operations of Clarke Bros. Those in touch with the situation, however, feel hopeful that the forcing of action may work out satisfactorily for the bondholders. If the receivership is granted it is expected Perkins, Goodwin & Co. would be placed in charge of operations. This concern, with its financial experience, could, it is felt, bring the company into good position. If Clarke Bros. should be sold under the receivership it is stated the first mortgage bondholders would be amply covered, since the timber land holdings of Clarke Bros. are of very considerable value.

B.C. WANTS RATE BELOW THE REAL COST TO COAST

Would Hit Both the C.P.R. and the National Lines

POLITICS INTRUDING

If Parliament Interferes it Will Mean That the Status of Railway Commission is Destroyed

From Our Own Correspondent.

OTTAWA.—With the disposal of the Hudson Bay Railway resolution, which left matters pretty much as they were—each party being afraid of the other—parliament is likely to take up the British Columbia resolutions dealing with freight rates. British Columbia claims that the existing tariff is discriminatory and unjust, and through its representatives is seeking to have it reduced to the standard which prevails in the other western provinces.

The rates in force are unquestionably discriminatory; but that does not mean that they are unjust. They were fixed by the Railway Commission in 1922, after sittings of the board had taken place from coast to coast, extending over two years of time. British Columbia tolls were very deliberately fixed on a higher level than those which obtain in Alberta and Saskatchewan for a reason which goes to the bedrock basis of all freight rates, namely, the cost of operation. There were other reasons which weighed strongly with the commission; but that was the principal one.

The Cost Factor

It was conclusively established during the long and exhaustive inquiry that it costs nearly sixty per cent. more per car mile to operate in British Columbia than in the other provinces; but the protestants appear disposed to ignore that controlling fact and rest their case on the superficial admission that the rates are higher.

It costs 20 cents per 100 lbs. to ship export wheat from Regina to Fort William. The rate fixed by the Railway Commission was considerably higher; but last year the Progressives succeeded in having the Crow's Nest Pass agreement of 1897 restored, and that had the effect of reducing the eastbound tolls. From Regina to Vancouver the rate is 31½ cents, as originally prescribed by the commission. This adverse difference is more apparent than real. It has not prevented Vancouver from demanding additional elevator accommodation; but if westbound and eastbound rates from the prairie provinces were on a parity, with the Panama Canal in the background, the tide of export wheat would be reversed. That is probably the aim of the movement now being made in parliament.

It is argued, however, that the rates

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EDITORIAL

Problem is Credit, Not Capital—Mixed Farming to Beat the Gamble—We Live on What We Earn—Manufacturing and Advertising.

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STUDY OF MESABE RANGE MAY AID IN CANADA'S PROBLEM

Great Iron Ore Production is Made From Open Cuts

STUDY IS NEEDED

Only Development Has Made Known the Valuable Data Collected in This Area

By W. A. DOWLER, K.C.

A range that produces 60 per cent. of the whole U. S. iron ore production and is probably the largest producing range in the world, is worth a little special study itself, saying nothing of the important bearing its progress may have on the solution of Canada's iron ore problem.

Knowing the hive of industry it now is, and the volume of ore it has been producing during the last twenty years and will continue to produce, it is not easy to realize that it produced its first cargo in 1892, only thirty years ago, and that but a very few years before that, it was an inhospitable wilderness of swamps, dense forest and rock strewn hills, or to appreciate the difficulties the early prospectors and explorers faced and overcame.

Though most of the mines of to-day are open pits. in 1890 surface indications were almost wholly absent, and if accidental discoveries such as the finding of ore under the roots of fallen trees on the Biwabik Mine (which has since given up over 14,000,000 tons of ore) had not occurred, the explorers might not have had the courage to continue and the wonderful story of the range might never have been written in the pages of U. S. industrial history.

Probably on no other range in the world has prospecting and exploring been reduced to the fine art that it has on the Mesabe Range. For twenty years or more, a thousand or more men with drilling and prospecting outfits have been engaged continuously on this range and the annual expenditure for this purpose on this range alone will run around $2,000,000.

Boundaries Known

As a result of all this exploration the limits and boundaries of the iron bearing formation are now quite well known.

This iron formation or series of iron bearing rocks comprises a strip varying in width from about a mile to three miles and nearly one hundred miles long, stretching across the country in a general northeast and southwest course, with a loop in it to the south near the centre, between Virginia and Eveleth.

The whole formation lies in a sort of basin. On one side lies a quartzite country, and the sedimentary rocks of which the iron formation is composed are bedded on this quartzite. On the other side are slate or gabbro topped hills or elevations, the whole basin being covered with a glacial drift of boulders, sand and gravel.

All parts of this formation do not contain mines. The mines are, in fact, quite irregularly located in this formation. Large parts of it contain no mines and even where existent their location can only be determined by carefully planned and well directed drilling.

Again, when located, their extent, area and general characteristics must be ascertained in the same manner. Ore being frequently interspersed with waste material and some parts being thick and others thin. The fact that the formation is nearly horizontal, the dip being only about 5 per cent. and in consequence rather shallow, has, of course, been a factor in the certainty with which proof of what was underground could be obtained over such a large area and in the finding of so many mines, because the mines it has been proved by these methods to contain ore are numerous, extensive and very valuable.

The "Why" Explained

Scientists and experts are now agreed that the why of the Mesabe Range is as follows: that is:

That the Mesabe range is due to the following causes:

The very extensive body of iron bearing rocks or iron formation; the basin like area in which they lie; the impervious rocks bottoming and comprising the sides of this basin and to a secondary concentration.

By a secondary concentration they mean that though this area of iron bearing rocks may have been too lean in iron originally to contain any mines of shipping ore, there was such a quantity of these iron bearing rocks stretching for such a distance that the waters from the heavens and the water circulating through these rocks and descending and ascending, sometimes pure and sometimes carrying acids and alkalies, have by leaching and erosion, effected a second concentration and created deposits of shipping ore in sections of these originally lean iron formations, by adding iron oxides and carbonates to or by dissolving other substances in the rocks, and making or leaving the iron proportion of same higher, these natural causes producing the ore irregularly, where the greatest natural opportunities existed.

Situation in Canada

Canadian scientists have attributed the absence of known areas of iron ore deposits in Canada of similar extent and importance to the absence of similar natural conditions, but the fact is that these natural conditions have been laid bare on the Mesabe only as a result of years of prospecting and promoting dominated by faith, courage, persistence and endurance, followed by the expenditure of much money freely bet by those who became interested and had faith in the ultimate success of such searching. Similar efforts will produce similar results on this side of the international boundary. The main body of the basement containing these iron ore deposits is on this side and the outcroppings showing this to be so are in evidence in many places.

In fact, recent, intelligent, well-directed searching by a very few, with the expenditure of very little money, has already exposed an area which mining engineers who are thoroughly familiar with all the features and natural condition of the Mesabe Range pronounce a part of the same range and declare to possess all the natural conditions for a secondary concentration that exists in the richest part of that range.

And there are numerous other exceedingly promising areas in the main body of this basement, situated in Canada.

$650,000,000 CAPITAL IN IRON AND STEEL

Industry Produces $640,000,000 Annually of Products—Agricultural Implements Output is Large

From Our Own Correspondent.

MONTREAL.—There is invested in the iron and steel industry in Canada nearly $650,000,000, and the annual value of the products produced is $640,000,000. The Dominion Bureau of Statistics has completed the most thorough analysis of the iron and steel industry it has ever attempted. The review covers figures for the year 1920 and gives some insight into the operations of the steel, machinery and iron using industries of Canada.

Canadian capital in the steel industry is less than 50 per cent. of the total. Of shares and bonds of a par value of $392,000,000 that were outstanding at December 31, 1920, Canadians held $182,800,000; British investors, $17,600,000, and United States individuals, $149,500,000. There were small investments from other countries.

From 1870 to 1920, without any great increase in the number of establishments in Canada, there was an increase from $9,000,000 to $642,000,000 in the invested capital; and from $28,000,000 to $640,000,000 in the production.

The relative importance of different groups in the iron and steel industry in Canada is indicated by this table:

Classification	Capital $	Value of Products $
Blast furnaces and steel mills	119,761,718	138,882,823
Foundries and machine shops	68,346,628	76,766,903
Iron and steel fabrication . . .	12,355,869	14,318,685
Boilers and engines	32,662,552	22,614,951
Agricultural implements	110,868,713	50,301,302
Machinery	52,066,936	40,535,474
Motors and cycles	72,252,428	123,148,206
Cars and car parts	66,951,866	60,359,520
Heating and ventilating	28,910,344	23,125,680
Wire and wire goods	18,339,020	30,254,349
Sheet metal products	27,589,735	37,369,576
Hardware and tools	32,798,513	22,556,316
Total	642,904,322	640,233,785

AN ACTIVE DEMAND FOR B.C. LUMBER

Australia and Japan Are Figuring Conspicuously in the Spring Buying

From Our Own Correspondent.

VICTORIA. — Although recent snowstorms have handicapped operations in the sawmills and logging camps, lumber operators in British Columbia are being beseiged by orders and so far there has been no indication that the prediction of a record year of business was based on false hopes.

Australia and Japan have figured conspicuously in the buying lately. Australia endeavored to get lumber cut during March, but owing to the concentration of the mills on other orders, which gave no opportunity to handle Australian specification, the demand was ignored, and now Australian buyers are placing orders for April and May cut, showing that the market is practically depleted.

Lumbermen would rather sell to Australia than Japan, because the stock is desired by Australia in more convenient form, and it gets a more attractive price than Japanese squares. In a desperate effort to secure lumber, Japanese buyers have offered to pay premiums ranging from $2 to $2.50 a thousand over the market quotations for good Jap squares, but the majority of mills have not shown any interest in this so long as the Australian demand continues.

Log prices have advanced slightly, fir selling at $12, $18 and $26, according to grade. Cedar for lumber has been getting $13, $23 and $35, while shingle stuff has been quoted at $10, $20 and $30. Hemlock has also firmed considerably, and mills have been forced to pay the list price of $14 for the first time in several months.

The mills are booked up tight with orders for delivery two or three months ahead, and cutting of spot lumber has been impossible.

President Harding's income tax for 1922 was $17,990 and return is to be filed under new law, making President's salary taxable.

CANADA'S FOREIGN TRADE WILL COME TO $1,750,000,000

This Will be an Increase of $250,000,000 Over 1922 Figures

FAVORABLE BALANCE

Allowing for Adverse Showing in March, Year Will Close With Balance on Right Side of $130,000,000

From Our Own Correspondent.

MONTREAL.—When Canada closes its fiscal trade year on March 31, the net result is likely to be a trade balance in favor of this country of approximately $130,000,000. This will be achieved in spite of an adverse trade balance in both January and February and probably in March as well. This favorable trade balance must be regarded as quite satisfactory when it is compared with the favorable balance of only $6,000,000 in the fiscal year of 1922 and the adverse trade balance of $30,000,000 in 1921. Probably it represents a better condition, that is, a much larger physical volume of goods than the favorable trade balance of $220,000,000 in the fiscal year 1920. It, of course, does not begin to compare with the very favorable figures of 1918 and 1919 when Canada was still shipping munitions abroad.

Canada's total trade in 1922-23 will amount to approximately one and three-quarter billion dollars. A year ago the figure was just $1,500,000,000. The highest figure ever reached in Canadian trade was in 1918 when the total was $2,560,000,000.

February Balance Adverse

Trade figures issued for February of this year indicate an adverse trade balance of $7,651,535. This compares with an adverse balance of $8,247,806 in the last year and one of $3,426,903 in the previous month. Prior to January a favorable trade balance has been shown for eight months in a row.

Following are the exports and imports for the month of February and for the eleven months ending with February with comparisons:

	Feb. '23	Feb. '22	Feb. '21
Exports	$57,656,161	$46,046,449	$65,237,738
Imports	65,307,696	54,294,255	71,970,507
Balance	†7,651,535	†8,247,806	†6,732,769

†Adverse.

	Eleven Months Ending		
	Feb. '23	Feb. '22	Feb. '21
	$	$	$
Exports	854,893,844	680,701,367	1,121,071,273
Imports	710,583,616	668,425,606	1,147,558,277
Bal.	*144,310,228	*12,275,761	†26,486,954

*Favorable. †Adverse.

The figures show a very gratifying increase in exports of forest products probably due to pulp and paper developments, in iron and steel and in agricultural products. Imports show an increase in textiles and in iron and steel and other ores.

Comparative Exports and Imports

The following table indicates the imports by the month in comparison with February, 1922, and also the exports with comparisons:

Imports for February

	1923	1922
Agri. prod.	$11,725,717	$11,225,178
Animals, etc.	3,521,703	4,874,448
Textile, etc.	16,520,051	12,536,238
Chemicals, etc.	1,705,601	1,729,046
Iron and steel	10,938,664	7,572,246
Other ores	2,858,834	2,481,981
Non-metals	12,615,479	8,813,689
Forest, etc.	2,610,672	2,293,537
Miscellaneous	2,810,975	2,767,892
Totals	$65,307,696	$54,294,255

Exports for February

	1923	1922
Agri. prod.	$18,817,910	$16,149,000
Animals, etc.	8,473,326	7,482,783
Textile, etc.	422,609	319,886
Chemicals, etc.	1,258,861	797,846
Iron and steel	5,378,239	2,704,933
Other ores	3,429,250	3,204,735
Non-metals	2,089,057	1,388,466
Forest, etc.	16,869,580	13,406,863
Miscellaneous	917,329	591,937
Totals	$57,656,161	$46,046,449

New Brunswick Power's Injunction Against City

From Our Own Correspondent.

ST. JOHN.—The New Brunswick Power Company scored a surprise on the city council when an injunction was secured against the city entering into the business of supplying light and power. The company made this move quietly, and created a sensation. The attorneys of the company contend the city has no right to enter into competition with the New Brunswick Power Company. As a counter move to the demand that the poles in the north end be returned to the city, the developments will be watched with interest. The St. John Power Commission has sent canvassers through the city and suburbs soliciting contracts to start the first of July. It is announced that the city will have the transmission and distributing systems in operation at that time. The commission has also ordered the New Brunswick Power Company to cease supplying light for streets and public buildings after the thirtieth of June.

To Amend Provisions Drought Area Relief

From Our Own Correspondent.

EDMONTON.—It is practically certain that there will be important modifications of the Drought Area relief scheme for the coming year. The government is not disposed to abandon it entirely, but it has already announced its purpose to make some changes, continuing the plan in some form but in respect only to the most needy cases.

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Sardine Packers Expect Good Season in East

From Our Own Correspondent.

ST. JOHN.—The sardine packing season in the maritime provinces will open on the fifteenth of April. It is too early for predictions, but the packers are looking forward to a good season. The Bay of Fundy packing plants are all to open in April, but whether or not the plants are to continue in operation steadily, will depend, wholly, on the run of little herring in the bay.

Until recently, ninety per cent. of the sardines caught in New Brunswick waters were sold to Eastport and Lubec packing companies, but of late years, Canadian packing plants have been opened on the New Brunswick side of the Bay of Fundy, and these plants are buying sardines heavily. The demand for Canadian packed sardines shows improvement each year.

DOUBLE PREMIUM THROUGH BROKERS ON GRAIN RISKS

Shippers Could Get Lower Rate by Not Dealing With Vessel Brokers

CONGESTION STUDIED

Shortage of Elevator Capacity at Montreal Led to Greatly Increased Operating Cost on Lakes

From Our Own Correspondent.

MONTREAL.—Besides delving into charges of combination among Great Lakes steamship lines for the fixation of grain rates, the Royal Commission that is concluding its sessions in Toronto this week has brought out some very valuable evidence as to the causes of traffic congestion on the Great Lakes. Suggestions have been offered from experts for enlarging the "neck of the bottle" to prevent tie-ups in grain traffic.

The initial sittings in Winnipeg centred around the allegations that there was a combine controlling more than three-fourths of the Canadian tonnage on the lakes to Montreal. The Montreal sessions were devoted chiefly to getting at the reasons for congestion on the lakes last year and the effect of such congestion on rates. The government counsel, H. J. Symington, K. C., did not forget his statement at Winnipeg that there was evidence of a combine to control rates on the Great Lakes but went further and in his cross-examination of various witnesses there was a very definite trend of thought along the line that, not only Canadian steamship lines, but all the American and Canadian steamship and railway lines, were alarmed into action by every suggestion of lower rates.

Congestion Caused Bidding

Evidence was given by T. R. Enderby, operating manager of the Canada Steamship Lines, that all the ship owners lost money in the grain trade last year. Operating expenses were increasing, there were congested conditions at all the ports and return coal cargoes could not be had because of the miners' strike. By July it was found that the boats were losing money and an increase of approximately 25 per cent. was made in rates. Government counsel brought out the facts that these rates had been agreed upon by all the companies. Even the rates agreed upon in July were found to be too low, according to Mr. Enderby, and in September the shippers attempted to put a demurrage charge in their contracts. This was resisted by the shippers and was not gone ahead with. Fixed rates disappeared due to congestion at all the ports, which steadily grew worse and became very bad by the end of the season. Finally the system used in fixing rates was to figure as closely as possible on the delays a steamer would have to undergo at a port and to fix the rate accordingly. There was much bidding for vessels and competition, said Mr. Enderby, and an agent would naturally take a ten cent rate rather than an eight cent rate when it was offered.

Evidence was brought out to the effect that a three cent rate was charged to take grain to Port Colborne from Fort William, while the rate to Buffalo was only two cents. Mr. Symington tried to get the admission that this constituted discrimination, but Mr. Enderby pointed out that his only idea in figuring rates was to permit the boat to make a little money. There was a possibility, he said, of return cargoes from Buffalo. The report of an interview of steamship men with Hon. James A. Robb, Minister of Trade and Commerce, was read. This report, which was stated to be verbatim, quoted Mr. Enderby as saying that the slightly higher rate to Port Colborne compensated for the loss incurred in running boats to Buffalo. Mr. Enderby denied the accuracy of the report.

How Insurance System Worked

Further evidence was given by W. A. H. Burnett, a large insurance underwriter on the system of writing insurance on cargoes on the Great Lakes. Very little business was done direct by the shippers, the insurance chiefly being placed by the vessel's agents. The witness stated that in insuring through vessel agents, the insurance companies charge a double premium and paid 35 per cent. to vessel agents and approximately 10 per cent. to general brokers. So if a cargo was insured to lake ports and Buffalo it paid a premium of 30 cents and 45 per cent. of that amount went out in commissions. If the business was done direct, that is between the shipper and the insurance company, the rate in that case was 15 cents, but the direct business was small. He saw no reason why there should not be more direct business and said his company was willing to take direct business.

Along the same lines the evidence of Mr. Enderby indicated that the Canada Steamship Lines pays nothing to the Standard Shipping Company for its services as booking agents. Facilities were, however, given the agent for getting payment. To which Mr. Symington commented, "whereby he can extract double insurance rate and get his commission on it."

Considerable time was given to a discussion of congestion. In his evidence, E. A. Todd, of the C. P. R., said that one time in 1921 his company had 1,800 cars waiting to unload in Montreal. In 1922 the congestion had not been as serious but even then 1,000 cars had been waiting at one time. Mr. Todd suggested a form of relief that the elevator capacity of Montreal must be increased. Similar evidence was given by Franklin Chamberlain, of Chicago, a marine insurance and vessel broker, who declared that the remedy for congestion was greatly increased capacity of terminal loading facilities, especially on the lower St. Lawrence at Montreal or Quebec. He believed that this would have an effect on rates for if every boat arriving could be sure of unloading as fast as it could tie up it would mean so much lower operating costs. Other witnesses made similar statements.

BIG FLOW OF GRAIN OVER THE RAILROADS

Increase of 30 Per Cent. in Cars Handled in Six Months Ending February

From Our Own Correspondent.

OTTAWA.—The immensity of the 1922 grain crop and the splendid work done by the Canadian railways in moving it is made evident by figures just published showing that the total number of cars of grain inspected during the six months ending February was 217,685, an increase of 50,418 or 30 per cent. over that for the same period last year.

The Canadian Pacific Railway handled 118,243 cars, an increase of nearly 35,500 cars over that for the same months of the preceding year. The Canadian National Railways handled 97,927 cars, or about 13,500 more than for the preceding period. This is a remarkable showing, when compared with the reports of blockades in the United States, which have retarded so seriously the movement of grain and other products.

It is worth while noting that during the last twenty years the number of cars inspected during the first six months of the crop year has increased from 36,111 cars in 1902-03 to 217,685 in 1922-23. This gives one a good idea of the possibilities of the grain traffic of western Canada.

While the Canadian railways handle the grain to the head of the Lakes—the Great Northern Railway during this six months handled only 1,515 cars—still they lose by far the greater part of it after that. Of the 159,680,000, bushels of wheat exported during the six months ending February to countries other than the United States, only a little over 41,000,000 went through Canadian ports.

BIG OPERATIONS IN MARITIME FORESTS

Heavy Cuts of Both Lumber and Pulpwood Are Being Made

From Our Own Correspondent.

ST. JOHN.—Indications are that the pulpwood cut in New Brunswick will exceed for the summer of 1923, the figures of the cuts for previous summer seasons. The cut for the winter despite the interference from storms and deep snow will surpass that of any winter season since the close of the war.

One of the companies that will cut heavily during the summer is the Pejepseet Lumber Company, of Salmon River, N. B. This concern maintains a large saw mill at Salmon River and a paper mill at Belfast, Me Under its control are large tracts of pulpwood land in St. John county, as well as extensive timberland areas. During the past winter the Pejepseet Lumber Company cut ten thousand cords of pulpwood along the Salmon River and Irish Rivers in the eastern extremity of St. John county. During the summer season, plans have been completed for the cutting of about eight thousand cords. And for the winter season of 1923-1924, arrangements have been made to cut twenty thousand cords and five million feet of lumber. During the current winter season the lumber cut by the company will gross about three million feet, despite the fact that for six weeks the crews were idle. The snow was so heavy and the storms so frequent, that work could not be continued in the woods. In fact, the headquarters of the company at Salmon River, were isolated for weeks owing to the depth of snow, and successive storms.

Other companies planning heavy cuts of pulpwood during the summer are: Nashwask Pulp and Paper Company of St. John, N. B.; St. Croix Paper Manufacturing Company of Woodland; St. George Pulp Company of St. George, N. B.; Fraser Companies, Limited, of Edmunston; Bathurst Company, Limited, of Bathurst, N. B. With the steady improvement in the market, pulpwood operators are optimistic regarding the outlook, and feel that more pulpwood will be cut during the summer season of 1923 than during any summer season for five years at least.

Lignite Experiments Cost Many Thousands

Heavy expenditure, with little in the way of practical results, is indicated in connection with the experiments with lignite coal at Bienfait, Sask., by information submitted in the Senate by Senator Dandurand, in reply to questions by Senator Casgrain. It appears that a total of $923,812 had been expended up to the first of the present year. Of this amount $470,042 had been paid out by the Federal government. The provincial government of Manitoba paid $236,250 and the government of Saskatchewan a like amount. About 75 tons of briquettes had been made.

HOW U.S. TARIFF BARRIER HAS HIT CANADIAN FARMER

Farm Products Bought by States Drop From $120,000,000 to $28,000,000

FOR FIVE MONTHS

Wheat, Beef, Butter, Wool and Other Commodities Shipped Across Line in Smaller Quantities

From Our Own Correspondent.

MONTREAL.—High tariff walls in the United States, directed specifically against products of Canadian farms have been most efficacious in reducing farm exports from this country to the States. During the five months ended February 28, Canada exported to the United States farm products to a value of $28,100,000. In 1920 the total was $58,700,000, and in 1921 $119,700,000.

Prior to May 27, 1921, most of the commodities produced on Canadian farms were imported freely into the United States without duty or with small duties. Cattle were free; wheat and wheat flour were free; milk, most seeds, potatoes and wool were also free. Now there are heavy duties on these goods. On May 27, 1921, the higher tariff came into effect and immediately began to operate as a barrier against Canadian farm commodities. So strong was this barrier that the later and much increased tariffs that went into force in September last year made but little difference in the general run of commodities. This is shown by the figures of farm exports to the United States which were, as has been stated, $119,700,000 in the five months ended Feb. 28, 1921. In 1922 this was reduced to $28,800,000 and the reduction to $28,100,000 in 1923 was of minor dimensions.

How Duties Have Been Increased

Some of the most important of Canadian products and the three scales of duty, prior to 1921, 1921 to 1922, and at the present time are shown in this table as indicating the severity of the obstacles the Canadian farmer must overcome if he is to ship his goods into the American markets:

	Prior to May 1921	May '21 to Sept. '22	Now
Cattle ..	Free	30 p.c.	1½-2c. lb.
Sheep ..	Free	$1-$2 hd.	$2 hd.
Wheat ..	Free	35c bu.	30c bu.
Flour ..	Free	.20 p.c.	78c cwt.
Beef ..	Free	2c lb.	3c lb.
Butter ..	2½c lb.	6c lb.	8c lb.
Potatoes.	Free	25c bu.	50c cwt.
Wool	Free	dutiable at various rates	

In the following table the comparative export figures of the same commodities are shown, in each case the figures for the five months ending February 28 being given:

	1921	1922	1923
Cattle No.	169,521	105,963	104,617
Value	$12,833,630	1,961,383	2,920,925
Sheep No.	120,253	51,848	29,272
Value	$ 1,085,558	264,992	192,023
Wheat Bu.	37,467,310	9,218,788	8,800,876
Value	$80,963,567	10,317,036	9,451,469
Flour Bbl.	895,035	342,703	273,443
Value	$ 9,113,836	2,073,523	1,622,679
Beef, Cwt.	128,248	99,314	78,615
Value	$ 1,864,713	1,043,769	919,037
Butter Lb.	1,482,663	2,593,325	2,281,698
Value	$ 744,148	950,808	936,987
Potatoes b.	1,436,773	833,352	204,418
Value	$ 1,262,488	666,974	168,284
Wool, Lb.	4,961,686	129,872	3,712,028
Value	$ 1,187,053	14,167	1,132,971

The net result has been to so greatly reduce our exports that no change in price levels can be advanced as an explanation of the declining figures. Total farm exports are shown here:

February	
1920	$5,145,847
1921	11,354,631
1922	1,478,624
1923	1,974,234

5 Mos. Ending February	
1920	$58,688,296
1921	119,701,345
1922	28,856,054
1923	28,169,294

Business Men Protest Minimum Wage Schedule

From Our Own Correspondent.

EDMONTON.—Retail store men from the larger cities made a protest against the recommendations of the Minimum Wage Board, which called for a minimum wage to women workers of $14 per week, to go into effect April 1. They asked that the findings of the board be set aside and that provision be made for holding conferences between employers and employees for the adjustment of wage scales.

The board, however, has authority in the mattter, and it has announced that there is to be no change in the $14 minimum order unless living conditions show a substantial lowering in costs. But as a concession to the business men and in recognition of the fact that business conditions are difficult, the date for the enforcement of the order has been changed from April 1 to September 1.

May Sell 37 Allen Theatres by Tender

The thirty-seven Allen theatres will likely be sold by tender. For some time the enterprise has been in the hands of G. T. Clarkson, liquidator, and he has been "carrying-on." It had been hoped to bring about a re-organization and secure new capital, but this plan has evidently been abandoned. Allen Theatres are located in many centres with the principal holdings in Toronto. It is estimated that $4,000,000 to $5,000,000 is involved in the sale. There are thousands of shareholders.

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A General Banking and Foreign Exchange Business Transacted.

F. N. BURT COMPANY, LIMITED

Report of the Directors to the Shareholders for the Year Ended December 31, 1922

The Directors present to the Shareholders their Fourteenth Annual Report with the accompanying statement of Assets and Liabilities as of December 31st, 1922:

Balance brought forward from 1921	$842,682.60	
Less: Federal Taxes on 1921 earnings paid in 1922	77,490.45	
	$765,192.15	
Profits for the year	721,627.16	
		$1,486,819.31

The Appropriations were as follows:

Transferred to Realty and Plant Reserve	$194,377.37	
Written off Patents	23,910.37	
Dividends on Preference Stock, Nos. 50, 51, 52 and 53, at the rate of 7 per cent. per annum .	36,491.00	
Dividends on Common Stock, Nos. 49, 50, 51 and 52, at the rate of 10 per cent. per annum ...	220,390.00	
		475,168.74
Balance carried forward to 1923		$1,011,650.57

After the usual liberal transfer to the Realty and Plant Reserve and the payment of dividends of 7 per cent. on Preference Stock and 10 per cent. on Common Stock, the Profit and Loss balance was increased by $168,967.97 and stands at $1,011,650.57. This balance is subject to deduction of Federal taxes on the year's profits, the amount of which cannot be determined accurately at this time. There may be deductions also for additional taxes on previous years' profits when these have been audited by the tax authorities, although we do not expect that such deductions, if any, will materially reduce the balance.

Further conversions of Preference shares were made during the year to the amount of $80,000.00. Under the Company's charter shareholders have the right to exchange Preference Stock into Common Stock, share for share, at any time.

The balance sheet shows that the Company is in a very strong position, having ample working capital with which to handle the excellent business that is being secured.

By order of the Board.
S. J. MOORE,
President.

Statement of Assets and Liabilities, December 31, 1922

ASSETS

Real Estate and Buildings	$ 896,131.80	
Plant, Machinery and Equipment	1,741,451.80	
Investments in Other Companies	147,257.00	
Patents and Goodwill	799,545.33	
		$3,584,385.93
Merchandise	$ 801,345.92	
Prepaid Expense	80,343.81	
Accounts and Bills Receivable	403,633.06	
Cash	271,977.76	
		$1,557,300.55
		$5,141,686.48

LIABILITIES

Capital Stock Issued:			
Preference Stock		$ 492,100.00	
Common Stock		2,233,100.00	
			$2,725,200.00
Dividends Payable Jan. 2, 1923:			
Dividend on Preference Stock No. 53	$ 8,624.00		
Dividend on Common Stock No. 52 .	55,810.00		
		$ 64,434.00	
Accounts Payable		171,602.40	
			$ 236,036.40
Mortgages on Properties Purchased			63,000.00
Realty and Plant Reserve		$1,105,799.51	
Profit and Loss Account (Subject to Federal Taxes on 1922 Earnings, etc.)		1,011,650.57	
			$2,117,450.08
			$5,141,686.48

At the Fourteenth Annual Meeting of Shareholders held on March 20th, 1923, the President, Mr. S. J. Moore, reviewed at length the Company's operations of the past year.

The Board of Directors was re-elected as follows: S. J. Moore, A. E. Ames, F. N. Burt, James Ryrie, Alfred Jephcott, William Findlay, Ph.D., Hon. H. S. Duell, C. W. Colby, Ph.D., and M. R. Cass.

The officers were re-elected as follows: S. J. Moore, President; A. E. Ames and F. N. Burt, Vice Presidents; E. G. Baker, Secretary; and W. N. McLeod, Assistant Secretary.

The Safest Investment

With every investor's holdings should be included Government and high grade municipal bonds to the extent of fifty per cent. of total funds invested.

5¼% to 5½% assured income for both short and long periods may now be obtained on money invested in Dominion. Provincial and larger City obligations.

Correspondence solicited

Dependable advice will be given on your investment problem.

DOMINION SECURITIES CORPORATION LIMITED

HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

FORM A SMALL SYNDICATE—
BUY THIS MINING CLAIM FOR A GAMBLE

Situated in the great producing area of Kirkland Lake, surrounded on all sides by working properties or properties showing rich gold ore, is this one claim. In the next couple of years some of the adjoining mines will pay a handsome sum for it.

Look at the Courrian claim in Porcupine. The Rochester paid $85,000 for it recently.

You can have this patented claim for $3,000. Six young men can put up $500 each with an excellent chance of getting $5,000 each back.

BOX 73, THE FINANCIAL POST

News and Views for Investors

NIPISSING TREASURY

Nipissing Silver Mine continues to maintain its immense surplus. On the occasion of the declaration of the dividend for the second quarter of 1923, it is announced that the liquid assets stand at $4,575,656. The big mine is now earning around $180,000 monthly.

BRITISH FUNDS FOR BRAZILIAN

The heavy holding of Brazilian Traction in Canada, estimated at the end of 1922 to be 420,000 shares, are now passing steadily to the London market. Close to 70,000 shares have left Canada since January 1, the buying being at a price around 48. This would mean the release of close to three and a half million dollars of British funds in Canada.

CANADIAN LOCOMOTIVE

Canadian National Railways have placed another large order for locomotives with the Canadian Locomotive Co., Kingston. The order is for seven switch engines large enough to transfer a whole train without breaking it up. The company is already working on an order for 26 engines for the government road and further orders are expected.

STANDARD CHEMICAL

The recent exposure of trouble and heavy financial losses on the part of Standard Chemical as a result of alleged connivance on the part of employees to defraud the company, did not cause any of the holders of the stock to weaken and rush onto the market to sell. Not a share was offered either common or preferred. The first sale of the year in either issue is yet to be recorded on the Toronto market.

CANADIAN FOUNDRY

Canadian Foundries and Forgings came to the front during the past week with reports of increased earnings. On March 1 the first sale of the common of the year was made, 20 shares at 50. This order was repeated last Wednesday. The first sale of the preferred was on March 7 at 55 but during the past week sales opened at 60, jumped to 64½ and then eased back three points on sales of 265 shares.

CARRIAGE FACTORIES

A fair demand for Carriage Factories common developed during the past week with the result that the first sales of the year were recorded. The issue opened at 4 with sales of 40 shares, weakened slightly when the offerings exceeded the demand. These, however, were soon cleaned up and the price firmed again with the last sale of 5 shares at 4½. There have been no sales of the preferred recorded during the year.

CUBAN-ATLANTIC MERGER

The talk of a merger of Cuban Canadian and Atlantic sugar caused no sensation on the market. The former stock was practically stationary during the week at a little over 13 with sales of 338 shares. Atlantic on the other hand showed weakness being down 1½ on sales of 2,910 shares. It is quite evident that no one is enthused over the proposal. Both companies have suffered tremendous losses, the Cuban-Canadian being down $1,786,699 and Atlantic $5,188,279 in the 1921 balance sheet.

PORT HOPE SANITARY

Port Hope Sanitary made its debut of the year on the market during the past week when the preferred shares were traded in. Sales opened at 80 with 5 shares changing hands and then rose rapidly two points at a jump to around 88 and 89. Total sales were 239 shares. The common stock did not appear at all. Improved earnings and an improved outlook because of the heavy building trade that is expected during the coming summer is the reason given for the buying.

MEXICAN COMPANIES

Conditions are improving in Mexico. The present government is fairly stable, is the interesting report from W. D. Ross, president of the Northern Mexico Power Development Co., following a survey of the company's many holdings. Business for the company has steadily bettered, and the needed extensions to handle the increased business are under way. Mr. Ross stated that commercial interests are now appreciative of the commercial possibilities of the interior country and business enterprise is being rapidly extended in that direction. Recognition of the Mexican Government by Great Britain, is said, would lend a decided impetus to the Republic's trade.

IMPERIAL BANK

Imperial Bank stock has been in quite active demand in investment circles of late. The issue went saleless for five trading days because the asked price was so far above the bid. Then trading was resumed by the bidders coming up to the price at the issue was offered, $192, which was a direct jump of $5 per share. Since then, however, the demand has increased and there has been a further increase of 2 points per share. Thus Imperial Bank is standing at 194 while the total shares changing hands in the spurt was 128.

RUSSELL MOTORS

There are rumors in the air in regard Russell Motors and the market activity of the common stock during the past week would indicate that insiders contemplated something. The issue opened around 28 and moved up in jumps to 35 on sales of 80 shares. This is a holding company and there are rumors abroad that it may be wound up and shares distributed in the companies in which it is interested or else a complete settlement. During the week 258 shares of the preferred changed hands at 75, an increase of 5 points over the last sale recorded, March 9.

RISE IN PAPER PRICES

Paper prices have followed the general tendencies and are on the upward swing. President C. Howard Smith of the Howard Smith Mills referred at the annual meeting to higher prices expected this year. President F. H. Anson of Abitibi states that 1923 contracts are on a higher basis. How long will the rise continue? Paper men are keenly studying the situation for it is but a short time back to the inflation of 1920. But the rises are felt to have some justification in increased costs. Wages are going somewhat higher and materials are rising. The outlook is excellent and prosperity in the industry is only getting under way again in Canada.

BROMPTON PULP

The rather optimistic remarks of F. N. McCrea, president of the Brompton Pulp & Paper Co., at the annual meeting, are taken as meaning early consideration by the directors of action on dividends. The stock market has, however, discounted this situation to some extent. It is felt, too, that the company would be justified in deferring the payment of dividends until a strong liquid reserve is built up.

Mr. McCrea stated that the company's plants were operating at full capacity and that new high levels of production were reached. Now the output is about 300 tons a day of finished product. One very promising statement he made was to the effect that the company expected to realize a substantial amount from the sale of hard wood on its limits, although no permanent value had been placed on the books for this output.

DOMINION CANNERS

Dominion Canners' preferred have been in demand of late in New York. The Magazine of Wall St. in discussing this says:

"The position of this company was called to the attention of American investors in our last previous report, at the same time that its preferred shares were recommended for investment. It is interesting to compare this company's position with that of the famous American Can Co., whose operations in the United States, of course, are along similar lines.

"One finds that American Company is far larger, in respect of capital investment, working capital, total surplus and total earning power. Also American Can made a fine showing in 1921, whereas Dominion Canners did not.

"On the other hand, the Canadian Company's capital obligations, in relation to earning power, and its working capital, in relation to plant investment, compare very favorably with those of the American company, giving it the appearance of a concern inherently very nearly as strong.

"Here is how the two preferred stocks would compare, in respect of the items used in the Preferred Stock Guide of The Magazine of Wall Street:

	Div. Rate	Appx. Price	Apx. Yld.	Times Div. Earn.
Amer. Can. pfd.	7%	114½	6.1	2.2
Dom. Can. pfd.	7%	85	8.0	2.8

"It is obvious, from this comparison of the two companies, that the American concern is bigger financially and industrially. That is, it represents a considerably larger investment, and its annual returns are much larger. It is not obvious, however, why the preferred shares of the Dominion Co. should sell to yield a clean 2% more than those of the American concern considering the excellent record of the Canadian company in relation to its smaller size and limited obligations."

MARKET FIRM BUT RATHER NEGLECTED: BUYERS NERVOUS

Mining List Has Rather Outshone Regulars During Week

The market has not had much to enthuse over during the past week. The result is that there were periods of dullness in the trading. Prices on the other hand stood practically firm and what trading appeared at all, was generally well scattered. There were, however, occasions when real spurts of buying made their appearance and there were two or three fairly busy sessions for the list.

With the regular list rather quiet, the professional traders turned to the unlisted section where the mining group is generally to the front with some activity. This has resulted in a couple of the sessions of the past week seeing the unlisted section completely overshadow the regular trading list.

Generally speaking, the list looks strong. There have been few recessions. Brokers say they can see no reason for a break in prices and believe that there will be further movements forward. However, there is an air of caution abroad. This is believed to be reflected more from New York than being a true local condition. The fact that any serious break at New York would have the tendency to take a lot of the ginger out of the local markets, is a point being impressed on those who are speculating on marginal basis.

There have been no outstanding weaknesses among the various market groups. Some individual issues have suffered slight declines, but on the whole the material gains of different issues were considerably in excess of the losses.

Papers though traded in more or less lightly, showed a tendency to strength. Tractions were traded in spasmodically while, one or two of the group moved into new ground. Utilities were quiet, while Industrials have been showing some progress. Specialities, Textiles and other groups were moving and that is about all.

Banks' stock on the hold have been in fair demand with the tendency of prices upward. In fact a couple of issues of this group have recorded nice advances. A couple of the bank issues were reactionary.

The mining market has been the scene of active trading for the greater part of the week. The leading gold producers have been in steady demand and at good prices. There have been a few reactionary periods but none of these were of any great length. One by one, silver issues are coming into activity. A few weeks ago the list was, for the most part, deserted, but now there are several issues that are about as active as some of the leading golds.

The bond market has witnessed a fair list of new offerings during the week. The steady absorption of all issues goes steadily on, however, and the fact that dealers supplies are slim to-day is an evidence of the buying power of this market.

MONTREAL TELEGRAPH

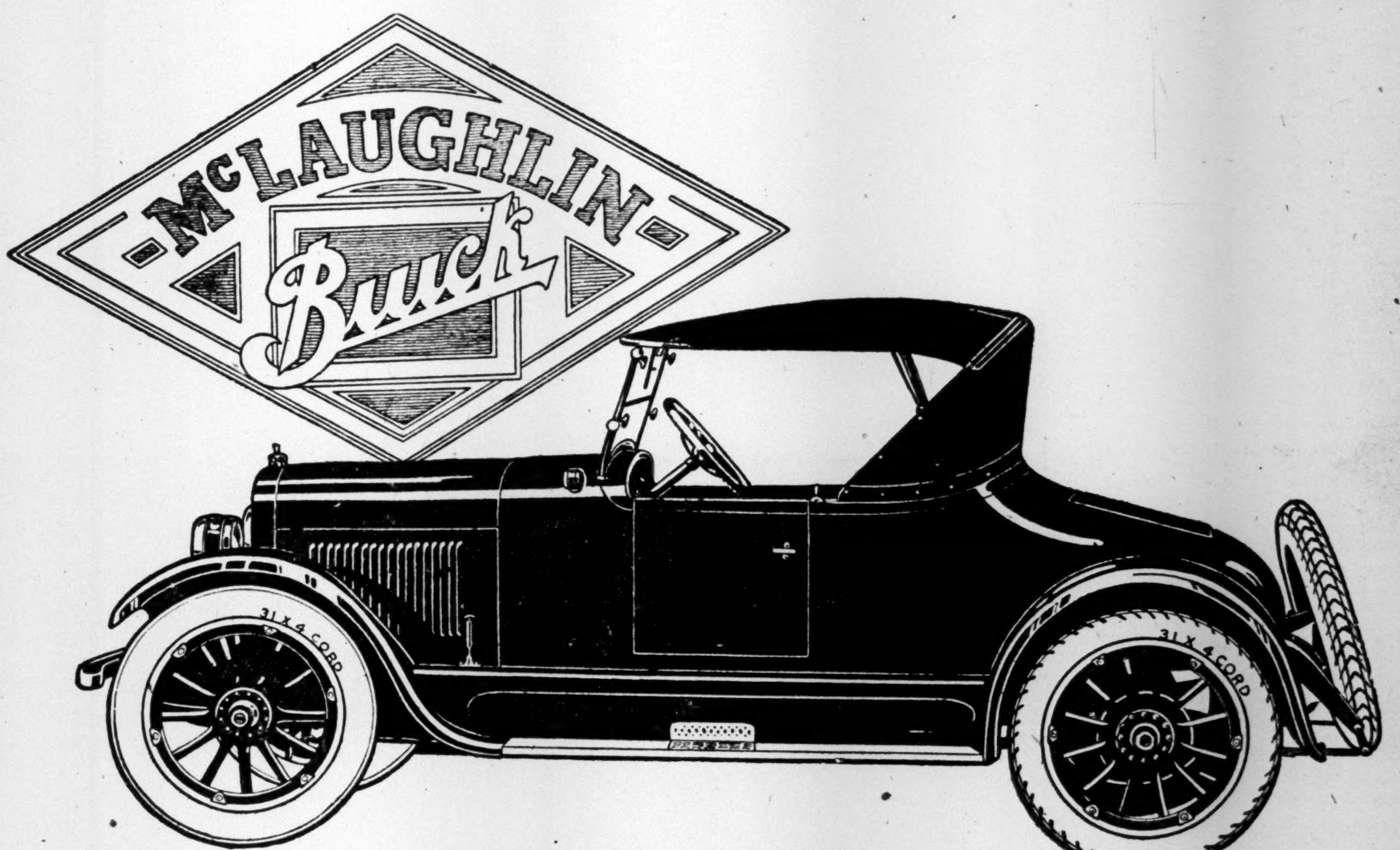
The market review of Montreal Telegraph from the first of the year is rather interesting. It opened the year with sales of 3 shares at 52 and the last sale, 35 shares, was at 52. In the meantime there has been trading in the issue each week but one since January 1. In February the issue showed a slight tremor of weakness and sold at 51. Someone evidently saw a great chance to knock the price down and adopted the doubtful expedient of selling one share at 49 to do so. Then the issue resumed its regular price of 52.

How we best can serve you

By you telling us frankly of the funds you have available for investment and the character of your present holdings. It is only through knowing your position as a whole that we can offer the most comprehensive counsel in investment matters.

Whether dealing through one of our salesmen or with us direct do not hesitate to ask our advice, even on the smallest details. We are here to serve you, and we invite your confidence to that end.

NESBITT, THOMSON & COMPANY
LIMITED
305-7 Bank of Hamilton Bldg., TORONTO
MONTREAL HAMILTON LONDON, ONT. WINNIPEG
218



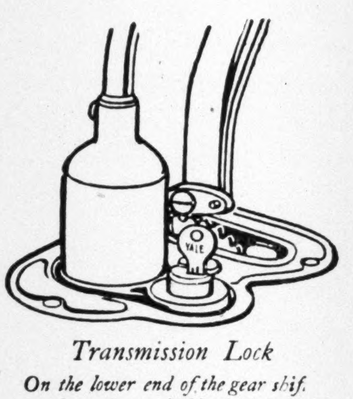
The Standard of Comparison

AS GOOD AS IT LOOKS

Master-Four 23-34 Special Roadster $1275

A glance at this beautifully proportioned two passenger four-cylinder roadster is an invitation to get behind the wheel.

The speed and power suggested by its graceful lines and low-hung body are fully realized on the open road. And its ease of manipulation and instant response to the throttle insure unusually satisfactory behavior in traffic.



Transmission Lock

On the lower end of the gear shifing lever is a reliable theft-lock—standard equipment on the new McLaughlin-Buick Models. This is one of the safety features in the 1923 models that has lowered insurance rates for owners. Among equipment features are, bumper, scuffplates, Dumbell radiator filler cap, full crown fenders, drum type headlamps, etc.

Prices F.O.B. Oshawa—
Government Tax Extra

Master Fours

23-35 Regular Touring	$1235
23-34 Special Roadster	1275
23-35 Special Touring	1295
23-36 Coupe	1645
23-37 Sedan 5 Passenger	1950
23-38 Touring Sedan	1855

Master Sixes

23-41 Touring Sedan	$2725
23-44 Special Roadster	1695
23-45 Special Touring	1725
23-47 Sedan 5 Passenger	2795
23-48 Coupe 4 Passenger	2675
23-49 Special 7 Pass. Tour.	2095
23-50 Sedan 7 Passenger	3095
23-54 Special Sport Roadster	2295
23-55 Special Sport Touring	2375

McLAUGHLIN MOTOR CAR CO.
LIMITED
Subsidiary of General Motors of Canada, Limited, Oshawa, Ont.
Ask about our plan of deferred payments

12 Factory Branches from Coast to Coast—Dealers Everywhere

McLAUGHLIN-BUICK

M-1833

CAN WE HELP ?

We do not know what difficulties, if any, stand in the way of your building enterprise, nor whether we can solve them; but we do know that within recent years we have been instrumental in clarifying complex situations for several Owners whose building projects were held up by difficulties we were able to solve.

THOMPSON-STARRETT
Company, Limited
Building Construction

There is one for you

If you have interests in the markets you will find invaluable this remarkably complete and authoritative compilation of data of all the prominent Canadian companies, including a record of capitalization, financing and earnings.

It will prove very handy for reference and will help you to gauge the intrinsic value of securities you hold or intend buying.

Your broker has a free copy of the Canadian Investors' Manual for you. Ask him for it.

Latest News from the Mines

just received from the North concerning the latest developments and the present situation on

Vipond
Dome
Hollinger
Beaver
Teck-Hughes
Wright-Hargreaves

which may have a direct influence on the market price of these stocks is accurately recorded in Gibson's Fortnightly Mining Review which will be ready for mailing shortly.

Write for your free copy to-day.

Homer L. Gibson and Company
Bank of Hamilton Bldg.,
TORONTO

G. A. STIMSON & CO.
EST'D 1888 LIMITED
GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
36-38 KING ST. E. TORONTO

Mining Stock Quotations

Week Ending March 20

	High	Low	Close	Sales
Algonquin	8½	7½	7½	5000
Argonaut	7¼	5¼	7¼	135500
Atlas	12½	11	11	30000
Baldwin	10½	9½	—	50500
Beaver	48	45	48	119500
Buckingham	16	15	16	61500
Churchill	13½	13	13	2250
Castle Trethewey	27	26	26	28000
Clifton	25¼	23	25	90500
Chaput-H	9	7½	8⅞	26500
Coniagas	2.25	—	—	2015
Cons. Smelters	29½	29	29	1141
Cons. West Dome	29	24⅛	27¾	145000
Crown Reserve	51½	45	51½	94800
Davidson Exrights	6¾	5	5¼	18500
Dome Lake	15	—	—	500
Dome Mines	42.50	42.00	43.30	3560
Dom. Kirkland	3	—	—	1000
Gold Reef	3	2⅝	2⅞	112000
Goldale	52	48	50	19500
Hattie	34½	30½	34¼	81500
Hollinger	13.70	13.25	13.45	5400
Hunton	11	10	10½	47500
Keora	14½	12½	14	111500
Kirkland Lake	56½	52½	54½	24000
La Rose	30	27	29½	16500
Lake Shore	3.60	3.52	3.55	10200
Lorraine	29	17	28½	219500
McKinley Darragh	24½	21	22	64500
McIntyre	19.60	19.10	19.40	2898
Mining Corp.	2.55	2.10	2.55	10300
Moneta	16	15½	16	15700
Newray	32	30	32	47500
Nipissing	6.25	6.10	6.25	860
Ophir	3½	2⅛	3⅜	38500
Peterson Lake	14	13	13½	42500
Porcupine Crown	15	13½	15	8000
Preston E. Dome	14⅞	12⅞	14½	80000
Schumacher	29½	29	29	7000
Teck-Hughes	1.13	98	1.11	192500
Thompson Krist	4	3½	4	12500
Timiskaming	35½	33	33¼	6000
Trethewey	5	4½	4½	6000
Wakenda	11	9¾	9¾	57500
Wasapika	8	7½	7½	35000
West Tree	11⅜	11	11	46500
Wright-Hargreaves	3.70	3.32	3.48	14000
Vipond Con.	76½	72	75	57000

Earnings for the month of January, reported by the Canadian Western Natural Gas Light, Heat and Power Company, amounting to $107,765 compared with $118,702 for the same month in 1922, a decrease of $10,937.

HIGH VALUES ARE OBTAINED IN TESTS OF SCHRIEBER ORE

Rich Discovery Recently Made Shows Sensational Returns

Actual tests of ore taken from the new find at Schrieber show values running around $250. The find in question was made by Messrs. Foster and Glendenning. Assays showed what were termed wild values. Some of them ran into four figures. A test shipment was prepared and sent to the Temiskaming Testing Laboratories at Cobalt. Charles Randall was engaged to conduct tests on the ore. Results have been startling.

Six bags of ore were sent along for the test. Three were estimated to contain $100 ore and the other three $250 ore. Mr. Randall pooled the lot and then subjected samples to thirty-six hours' treatment, employing the following method and getting the following result:

Straight cyanide, roasted ore	76%
Straight cyanide, raw ore	94%
Bromo cyanide, roasted ore	95%
Bromo cyanide, raw ore	98%
Ore heads ran $250.	

Then the test was carried on for fifty hours with the following result:

Straight cyanide, roasted ore	79%
Straight cyanide, raw ore	98 2-10
Bromo cyanide, roasted	97 8-10
Bromo cyanide, raw ore	99 1-10
Ore heads ran $258.60.	

These tests are not final. Mr. Randall is continuing his tests. He believed that with fine grinding and long treatment in straight cyanide solution he will be able to get an extraction of 99½ per cent.

To enable further tests to be carried on a 20-ton shipment of the ore is now on its way to Cobalt. This is taken from a large high grade vein which has been traced from the shore of Lake Superior up the side of a large cliff for some distance and has also been located over the summit of the cliff. But little sinking has been carried out as yet, the work done going down but 15 or 20 feet.

The find in question was the result of prospecting undertaken on the recommendation of one of the Provincial geologists who had been over the section and encountered the promising geological conditions.

B.E. STEEL CORP. ASKS ACTION AGAINST REDS

Company Forced Under Present System to Collect Unpatriotic Propaganda Dues

From Our Own Correspondent

MONTREAL.—That the British Empire Steel Corporation feels keenly the effect of its labor troubles at its plants in Cape Breton and is determined to meet the further activities of labor agitators promised for this year is evident from the statement of the president, R. M. Wolvin, at the annual meeting. Mr. Wolvin asked that government authorities at Halifax and Ottawa give consideration to the "political rather than economic" aims of the United Mine Workers. Mr. Wolvin stated that under the "check off" system in force at the plants, the corporation collects as dues for the U. M. W. over $140,000,000 from workers. He said, "We have reason to believe that money collected by us for the U. M. W. through our offices is being used as the main support for the most dangerous newspaper propaganda, not only aimed at the company, but for the avowed purpose of overturning established government in Canada."

Much improved conditions at the plants of the corporation were referred to. Mr. Wolvin expected that the full coal production could be marketed this year. More ore will be mined this year. Steel prices have advanced and considerable business has been obtained. The Eastern Car plant is running practically at full capacity with prospects for good business throughout the year.

It was announced that the corporation has plans for extending the markets for its coal, and large sums will be spent in the next few years for new collieries to develop the coal areas. Plans are under consideration for the manufacture of coke suitable for household use as a substitute for anthracite coal now imported into Quebec and Ontario from the United States.

The resolution decreasing the capital stock from $500,000,000 to $250,000,000 as outlined in THE FINANCIAL POST some time ago, was passed and will be given final consideration at a special general meeting of shareholders on April 9. Senator J. P. B. Casgrain and Geo. S. Campbell were added to the board.

ABITIBI POWER

One of the most striking features of the Abitibi report, and one that is certain to mystify some shareholders is the great increase in operating expenses. These amount to nearly two-thirds of gross receipts although in 1921 they were only one half. The explanation lies in the largely increased tonnage of the mills which had to be sold at lower prices than prevailed in 1921. In that year the Abitibi mills produced 85,000 tons of newsprint which was sold at over $100 a ton on the average. Costs were about $50 a ton showing a margin of $50 a ton. In 1922 the mills produced 142,000 tons of newsprint which was sold at around $70 a ton during the year. Costs were approximately $40 a ton showing a margin of about $30 per ton. Thus while the receipts were only moderately increased expenses showed a remarkable jump. Looking into 1923, with higher prices prevailing for newsprint the possibility seems good of increasing the gross receipts without substantially increasing expenses.

Judge Gary Interested in Italian Reconstruction

E. H. Gary, president of the United States Steel Corporation, lately arrived at Naples on the invitation of Premier Mussolini. The Italian statesman hopes to induce Mr. Gary to take an active interest in the economic reconstruction of Italy.

For some months past, according to the Paris Cablogramme, American engineers have been at Rome carefully studying various projects in connection with public works, among which are the reconstruction of the Port of Naples and the construction of railways in Italy.

PROFITS OF WINNIPEG ELECTRIC ARE LOWER

Increase in Fares and Service Offsets Reduction in Operation Cost

Gross earnings of Winnipeg Railway from 1922 operations were $5,395,223 as compared with $5,418,023 in 1921. Income available for all fixed charges was also lower, falling below the $2,000,000 mark. Net income, however, was higher, being $935,374 as compared with $928,964. Extinguishment of discount on securities was, in the main, responsible for the difference, although the city's percentage and license taxes were some $19,000 less.

The company experienced quite a drop in the number of passengers carried, due to the industrial depression. There was also a slight decrease in gas sales. It is pointed out that the fares reduction made in August, 1921, as a result of litigation with the city along with a decrease in the passengers carried, resulted in a revenue drop of $151,738. Gas earnings were down $2,156, while electric earnings were $131,094 higher.

In May, 1922, wages were reduced, while the gas company experienced a cut in coal prices, but the increase in car service and power shortage overcame this advantage. Total operating costs were $3,526,715 as compared with $3,559,380 in 1921.

The profit and loss account follows:

	1922	1921	1920
Gross	$5,395,223	$5,418,023	$5,233,700
Expenses	3,526,715	3,559,380	3,428,897
Net Op. Rev.	$1,868,508	$1,858,643	$1,804,803
Miscell. inc.	121,853	161,407	76,700
Gross income	$1,990,362	$2,020,050	$1,881,503
Interest	643,028	633,331	716,214
Ext. of disc.	16,000	52,526	26,786
Perct. of Taxes	339,675	347,384	308,488
Other charges	56,283	57,844	33,437
	$1,054,987	$1,091,085	$1,084,928
	$ 935,374	$ 928,965	$ 796,575
Depreciation	339,509	323,655	201,050
Net income	$ 595,865	$ 605,310	$ 595,525
Pref. dividend	210,000	182,368	4,444
Sinking fund	56,550	57,420	60,000
Surplus	$ 329,315	$ 365,522	$ 531,081

Current assets are given as $1,065,416, a slight increase over 1921, $1,032,661, while current and accrued liabilities total $2,956,475.

STOCK MOVEMENTS OF THE WEEK

Week Ending March 20

	Div. Rate	Ask	Bid	High	Low	Close	Sales
BANKS							
Commerce	12	200	199	200	199	200	123
Dominion	12+1	202	199½	203	202¾	203	189
Hamilton	12	169¾	168½	170	168	169¾	147
Hochelaga	10	149	—	148	148	148	25
Imperial	12	—	194	194	192	194	128
Molsons	12	—	171	175½	175	175½	35
Montreal	12	236	234	237	236	236½	242
Nationale	6	100	—	100	98	100	29
Nova Scotia	16	—	262	266½	263	263½	40
Royal	12	—	216	217	216	216½	96
Standard	14	—	211	212½	211½	211½	52
Toronto	12	190	188	188	186	188	40
Union	10	137	136	136½	135½	136	405
Industrials, Utilities, Etc.—							
Abitibi Pulp & Paper Co.	4	73	72	73	71½	72⅜	2986
American Salesbook, com.	8	41	—	42½	42	42	135
Do., pref.	7	93	92	92	92	92	26
Asbestos Corporation, com.	6	72¾	72½	72½	71	72¼	362
Do., pref.	7	91	90	91	89½	89½	220
Atlantic Sugar, com.	—	26	25⅝	27½	25½	26	2910
Do., pref.	—	—	45	48	47	47	800
Barcelona Traction	—	16½	16	17	16	16	325
Bell Telephone	8	123	122	122¼	121¾	122	1008
Brazilian Traction, com.	4	51¾	51¼	52⅜	50	51½	9063
B. C. Fishing	—	20	19	20	18⅝	19	305
British Empire Steel, com.	—	8½	8	8½	8¼	8¼	320
Do., 1st pref.	7	70	69½	70¼	69¾	70	917
Do., 2nd pref.	—	25	24¾	25¼	24⅞	24⅞	790
Brompton Pulp, com.	—	42½	42¼	42½	41	42¼	3282
Burt, F. N., com.	10	137	135	136	135	136	35
Bird & Son, pref.	7	—	90½	92	92	92	47
Canada Bread, com.	—	66	—	66	65⅝	65⅝	35
Do., pref.	7	94	—	95	94	94	168
Canada Car & Foundry, com.	—	33	31	32½	30	32	210
Do., pref.	—	77	75½	77	76	76	495
Canada Cement, com.	6	87½	86¾	87½	86	86	710
Do., pref.	7	—	104	104½	103	104¼	304
Canada Steamships, com.	—	18½	18	18½	17¾	18½	440
Do., pref.	—	52	51½	52¼	50¼	52	1761
Canadian Converters	7	99¾	—	99½	99	99½	135
Canadian Cottons, com.	8	134	131	134	132	132	615
Do., pref.	6	—	90⅛	90	90	90	40
Can. Foundries & Forgings, com.	—	42	35	30	30	30	50
Do., pref.	—	65¼	—	64½	60	61½	155
Can. General Electric, com.	6	87½	86½	89	86	86¾	393
Canadian Locomotive, com.	4	75¼	73¾	75	74½	75	35
Do., pref.	7	95½	94	95	92¼	93¾	75
Canadian Pacific Railway	10	—	152	152	150	152	377
Carriage Factories, com.	—	5	4	4½	4½	4½	5
Crow's Nest Coal	6	50	48	48	48	48	30
City Dairy, com.	10	142	140	145	144½	145	50
Do., pref.	7	—	100	102	102	102	5
Consumers Gas	10	153	151½	154	150½	151½	117
Do., allotment	—	—	—	15¼	14	15¼	491
Detroit United Railway	6	79	78¼	79½	77½	79⅛	2172
Dominion Bridge	4	76	—	74¾	74	74	22
Dominion Canners, com.	—	34	32	34¼	33¼	33½	150
Do., pref.	7	—	86	90	84	87½	271
Dominion Glass, com.	7	97	96½	98	95¾	98	275
Do., pref.	7	—	101¾	101¾	101¾	101¾	5
Dominion Telegraph	6	—	45	45½	45½	45½	24
Dominion Textile, com.	12	71	70½	71⅛	70½	71	1547
Do., pref.	7	109½	—	110	109½	109½	8
Dominion Coal, pref.	7	—	86¾	86½	86½	86½	25
Dominion Iron, pref.	7	—	75	77	76	76	35
Can. Woollens, com.	—	20	18	18¼	18	18	209
Do., pref.	—	65	—	65	65	65	1
Dominion Steel Corporation, pref.	6	—	82	82⅞	82	82⅞	245
Duluth Superior	—	36	35½	36⅞	35¾	35⅞	412
Goodyear Tire, pref.	7	94	93	95	93	93½	189
Howard Smith Paper, com.	6	—	82¼	83¼	80	83	1365
Do., pref.	8	107	106½	107	105½	106½	281
Illinois Traction, com.	—	40½	40	40½	40	40½	95
Do., pref.	6	83	—	84	82	82	181
Interprovincial Brick, com.	—	65	62½	62½	62½	62½	30
Kaministiquia Power	8	—	118½	118	118	118	5
Lake of Woods Milling, com.	12	183	181	182	181½	182	45
Laurentide Paper	6	[illegible]	95	95½	95	95	676
Lyall Construction	—	44½	—	44	43	43	60
Mackay, com.	4	116¾	115½	116	115½	116	395
Do., pref.	4	70	69	69½	69	69½	53
Maple Leaf Milling, com.	8	124	—	124	122	122	100
Do., pref.	7	102	100½	100½	100½	100½	82
Monarch Knitting, com.	—	—	40	40	40	40	10
Do., pref.	7	—	81	69	69	69	5
Montreal Cotton, com.	6	—	110	110	110	110	10
Montreal Light, Heat, Cons.	6	114½	114⅜	115	114¼	115	1370
Montreal Telegraph	8	52	—	52	50	52	147
Montreal Trams	10	150	—	150	150	150	2
National Breweries, com.	4	52⅜	52½	53¾	52	52	3039
Do., pref.	7	—	89	91	91	91	45
Ogilvie Flour, com.	12	332	328	333	330	331	345
Do., pref.	7	116	—	116	116	116	15
Ottawa L. H. & Power	6	87½	87¼	88	87	88	205
Port Hope Sanitary, pref.	7	87	86	89	80	89	239
Pacific Burt, com.	6	100	95	99	95	95	10
Do., pref.	7	—	105	105	104½	105	10
Penmans, com.	8	150	—	146	145½	145½	75
Porto Rico Railways, com.	—	29	27	30	26	29	490
Do., pref.	7	—	80½	81	80	81	15
Price Brothers	2	44¾	44½	45⅜	44½	45⅜	470
Provincial Paper, pref.	7	—	95	95	95	95	1
Quebec Railway	—	22½	22	22¾	22	22	1259
Riordon Pulp, com.	—	—	7	7¾	7	7½	425
Do., pref.	—	12½	12¼	12¼	12	12¼	145
Rogers, William, com.	—	73	72	76⅛	72	72	260
Russell Motor, com.	—	—	34	38	31	35	80
Do., pref.	7	80	75	75	75	75	25
Shawinigan	7	118	117¾	118	118	118	442
Sherwin Williams, pref.	7	102	—	101½	100	100	16
Spanish River Pulp, com.	7	98	96	97¾	97	97¾	895
Do., pref.	7	[illegible]	105	106½	105	106	737
Steel of Canada, com.	7	79½	79	79½	77	79½	5536
Do., pref.	7	—	100½	102	101	101¼	156
St. Lawerence Flour, com.	6	80½	80	80¼	80	80	105
Toronto Railway	—	86½	85½	87	86	86	376
Tuckett Tobacco, com.	4	57	55	57	54½	56	630
Do., pref.	7	96	—	96	93¼	93¼	17
Twin City, com.	4	65	64½	65½	64½	65	1302
Wabasso Cotton	4	—	76½	76½	76½	76½	15
Wayagamack Pulp	—	60	—	60	59	60	135
Winnipeg Electric, com.	—	41¼	40½	42¼	37½	40½	4182
Do., pref.	7	—	85	87	85	85	192
Woods Mfg., com.	8	78½	—	78½	78½	78½	75
Do., pref.	7	83	—	83	83	83	5
Cuban Can. Sugar, com.	—	13½	12½	13½	13	13	338
Do., pref.	—	46¾	46	47	46	46¼	645
Canada Landed	10+1	81	80	81	81	81	8
Can. Permanent	12	190	188	190	190	190	17
Col. Investment	6	8¼	8	8	8	8	50
Real Estate Loan	7	95	90	95	95	95	1

A Living Trust Might be Useful to You

If you have property available to direct to the benefit of yourself or others, which at the same time you wish to remove from risks.

A Living Trust

enables a man to use his resources for the benefit of his dependents without adding to their responsibilities, and while lessening his own.

A Living Trust

enables him to retire from business assured that his interests will be guarded and managed so as to produce the highest safe return. Or, with equal assurance, he may take a long vacation for travel or recreation, undisturbed by business cares.

A Living Trust

may be so constituted as to serve as his will after his death. This ensures that his estate can be disposed of promptly, without the formality and publicity that comes with the probate of a will.

ON GUARD

Consult Us

We shall gladly give, in confidence and without charge, our advice adapted to your individual needs.

Booklets on request.

National Trust Company
Limited
Paid-up Capital and Reserve $4,000,000
Assets Under Administration $112,000,000
22 King Street East Toronto

MACDONALD'S
BRITISH CONSOLS
CIGARETTES
MACDONALD'S CIGARETTES
They are easy on your throat

10 NOW 15¢-20 NOW 30¢

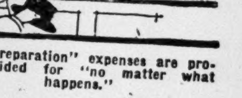
116

Their Future

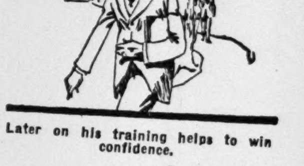
Your Boy, For Instance

Your boy can be interested in his own future.

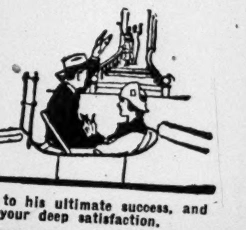
His ideas will be "steadied" by the knowledge of your plans for him.



His "preparation" expenses are provided for "no matter what happens."



Later on his training helps to win confidence.



Leading to his ultimate success, and your deep satisfaction.

If your boy or girl could speak now with the wisdom of later years, they would ask, above all else, for education, training for business,—a real start in life.

Every parent knows that the boy who has training is selected for a good position; and the girl who has the right start can make a place for herself in the world, and always be sure of independence and happiness.

You want your children to be equipped for the battle of life, as others are.

Make Your Plans Secure

Why not provide, as many parents are now doing, that "no matter what may happen" your boy or girl will have the advantage of a good start in life?

In these times they need training and the help you can give as never before.

See what the Canada Life can do with the new

Educational Policy

It will provide immediately if you should die, an educational fund, to be held in trust at interest for your child's training.

This fund cannot be touched by the child until the date set by you has been reached.

It will then be paid in eight separate payments, to cover the four vital years of training.

If you should live, the cash value of the contract, with dividends, will be available at any time to carry out any of your plans.

Nothing could be more simple—the funds provided—your plans made definite and secure—whether you live or die.

You have probably thought this matter over many times. Here is a chance to do something—tangible, immediate, yet quite easy.

Why not find out now what the educational policy will do for your child? This will not put you under any obligation.

Canada Life
Assurance Company
Home Office:
Toronto,
Canada.

Canada Life Assurance Company, Toronto
Dear Sirs:—
I would like to have more information about your Educational Policy.
Name ....
Address ....
12

MADE IN CANADA

The Beaver "S" is watermarked into our papers for your PROTECTION.

It is our guarantee to you for quality and satisfaction.

LOOK FOR IT IN YOUR STATIONERY

Better Letters mean Better Business. The Beaver "S" papers make Better Letters.

ASK YOUR PRINTER, HE KNOWS

Howard Smith Paper Mills Co., Ltd.

MONTREAL

Mills at Beauharnois, Que., Crabtree Mills, Que., Cornwall, Ont. and Gaspe, Que.

The dividends of experience

A WOMAN with her husband's Life Insurance to live on, or the proceeds of the sale of the farm to re-invest—and no business or financial training to do it with—is headed pretty straight for the shrinking dividends of inexperience:—

Unless—she gets some sound, straight-from-the-shoulder advice.

Thrifty management will bring to her freedom from care and worry, assured comfort, and the Dividends of Experience, all of which may be obtained by the appointment as Executor and Trustee of your Estate of

THE CANADA PERMANENT TRUST Co

Paid-up Capital One Million Dollars

Toronto Street, Toronto.

Manager Ontario Branch - A. E. HESSIN

AMERICAN SALES BOOK COMPANY, LIMITED

Report of the Directors

to the Shareholders for the year ended 31st December, 1922

The Directors present herewith their Report showing the results of the Company's operations for the year ending December 31st, 1922, with the accompanying Statement of Assets and Liabilities, as follows:

Balance brought forward from 1921	$238,936.95	
Less Federal Taxes on 1921 Earnings, paid in 1922	34,050.34	
	$204,886.61	
Profits for the year	558,364.77	
		$763,251.38
The Appropriations were as follows:		
Interest on Bonds	$ 21,135.00	
Transferred to Reserve for Depreciation	137,219.37	
In Reduction of Patents Account	50,000.00	
Four quarterly dividends on Preference Stock at rate of 7 per cent. per annum	$215,131.00	
Three quarterly dividends on Preference Stock of 1¾ per cent. each on account of arrears	161,348.25	
Dividend of 8 per cent on Common Stock payable January 15, 1923	49,172.80	
		$634,006.42
Balance carried forward		$129,244.96

During the early months of the year business was considerably below normal, but improvement began in May and continued throughout the balance of the year. The result of this improvement is reflected in our profits which were the largest in the company's history, with the exception of those of the year 1920.

The Profit and Loss balance is subject to deduction of United States Federal taxes on the year's profits, the amount of which cannot be determined accurately at this time.

In addition to the regular quarterly dividends on the Preference stock, all arrears thereon, which amounted to $161,348.25, were paid during the year. An initial dividend of 8 per cent. on the Common stock was also declared payable January 15th, 1923.

Bonds for the Sinking Fund were purchased during the year to the extent of $109,529.85, thus reducing the amount of the outstanding bonds to $265,214.05.

The prospects for 1923 appear to be excellent.

By order of the Board.
S. J. MOORE,
President.

Balance Sheet, December 31st, 1922

ASSETS

Real Estate and Buildings	$ 383,568.89	
Plant, Machinery and Equipment	1,323,410.07	
Investments in Allied Companies	391,210.57	
Patents and Goodwill	2,384,018.06	
		$4,482,207.59
Merchandise	$423,361.24	
Prepaid Charges	40,024.20	
Accounts and Bills Receivable	359,196.91	
Cash in Banks and on Hand	93,083.69	
		$ 915,666.04
		$5,397,873.63

LIABILITIES

Capital Stock Issued:			
Preference Stock	$ 3,073,300.00		
Common Stock	614,660.00		
		$ 3,687,960.00	
First Mortgage 6% Bonds due 1927	$ 750,000.00		
Less Sinking Fund and Bonds on hand	484,785.95		
	$ 265,214.05		
Accrued Interest on above	5,139.00		
		$ 270,353.05	
			$ 3,958,313.05
Accounts and Bills Payable		$ 226,678.50	
Dividend on Common Stock, payable Jan. 15, 1923		49,172.80	
			$ 275,851.30
Reserve for depreciation on Buildings, Plant and Machinery		$ 981,184.76	
Other Reserves		53,279.56	
Profit and Loss Account Balance (Subject to U. S. Federal Taxes on 1922 Profits), etc.		129,244.96	
			$ 1,163,709.28
			$5,397,873.63

At the 10th Annual Meeting of Shareholders held on March 22nd, 1923, the President, S. J. Moore, reviewed at length the Company's operations for the past year.

The Board of Directors and Officers were re-elected as follows: S. J. Moore, President; W. D. Van Horn, Vice President; A. M. Bovier, Treasurer and General Manager; A. E. Ames, Charles G. Brand, Edwin G. Baker, Charles W. Colby, Ph.D., Frank A. Deans, Hon. Holland S. Duell, Wm. O'Connor, George Weston; Chauncey W. Crofoot was appointed Secretary, and Wm. C. Metzger, Assistant Secretary-Treasurer.

GOLD MINING IN ONTARIO IN NEED OF NEW FINANCES

Could Thus be Placed on Much Sounder Basis

GROWTH RAPID

Change in Last Few Years Has Been Rapid—Financiers Are Gradually Taking Interest

By GEORGE GLENDENNING.

If there is one thing that would seem to be characteristic of the people of Ontario, it is that they lack confidence in their own country. Canadian money has been sent to all quarters of the globe to develop water powers, steam railways, electric light plants, oil wells in Texas and Oklahoma, in fact, there is scarcely any field of commercial endeavour upon which Canadians have not lavished their money.

Fifteen or twenty years ago, if you were to ask almost any of the officials of our own department of mines as to the possibilities of finding gold in Ontario in commercial quantities they would have said that there was a very remote possibility.

Had you asked the mining fraternity the same question they would probably have shrugged their shoulders and would have recalled the disastrous outcome of the Lake of the Woods boom of 1885, and they would have told you that they very much preferred to try mining elsewhere, either in Western United States, Alaska or Mexico.

Leaders Really Gamblers

The first mines to be developed in a new district are developed by men who are partly possessed of the instincts of the gambler, combined with a knowledge of engineering and geology. Professional mining engineers, who through association with a successful mining enterprise or otherwise, have succeeded in making a name for themselves are usually so jealous of their reputations that they will not risk their job and their salary by recommending to their companies that they take up and develop properties in new districts. They know that it is a mathematical certainty that the odds are against them in recommending new properties on account of the small percentage of prospects that actually develop into mines.

Change is Coming

Men possessed of the instinct of the banker are not apt to create new mines. If you do not believe this ask any banker to loan you money on a mining security. The same thing is true of old, conservative bond houses. It has been the attitude of this class in our community to look askance at the mining industry until comparatively recently. When other men, by risking large amounts of money have succeeded in establishing a gold mining industry on a firm basis and have succeeded in demonstrating that we have in Ontario some of the best gold mines in the world, there is the disposition on the part of these gentlemen to take a hand in the business. They have not yet reached the point where they think it is sufficiently respectable to allow their names to appear on the directorate of gold mining companies, but they are quite prepared to put in a little money and take all the profits that are coming to them, but they wish to stay in the background.

Political View

Every politician in the country from one end of Canada to the other when he gets on the platform to explain to an audience how Canada is going to pay her national debt seems to have only one solution and that is the intensive development of natural resources.

One of the big industries of the Province of Ontario is gold mining and if the men who are in the business received a little more kindly consideration on the part of financial institutions who would lend to the business the same care and the same executive ability that they display in other lines, mining could be put on a much sounder basis, get to be much more widely extended and made much more profitable.

Gold mining in Ontario can be, should be, regarded by every one as a legitimate business, perfectly respectable and, what is more—very essential to the welfare of our country.

Losses of Standard Chemical Are Absorbed

Standard Chemical shareholders will await with some nervousness, the probing of the alleged frauds in wood buying which are said to have caused the concern losses variously estimated at from $20,000 upwards to over $200,000. Several trusted employees of the concern are involved. William Thompson, Orillia, founder of the company, says they expect to get $75,000 back. This will be added to net earnings as all losses sustained were such that they were absorbed in operations, being in the nature of exorbitant charges for wood and land.

INCREASE KEORA CAPITALIZATION

The capital of Porcupine Keora mines is to be increased from $2,000,000 to $3,000,000 to provide capital for the development of the three northern claims of the company. The annual report shows that accounts receivable are some $2,000 in excess of the bills to be met. The company has not operated during the past year.

Pressed Metals Plants Running Full Time

Pressed Metals and its subsidiary, The American Bushings Co., made a operating profit of $138,729 in 1921 and had $95,566 left after taking care of depreciation. Mortgage loans of the subsidiary, $33,000 and a company note of $30,257 were also cared for during the year. Both the company plant at Toronto and the subsidiary plant in Michigan are now working full time and the outlook for the company is declared to be exceptionally bright.

CONIAGAS HAS CUT THREE BEAVER VEINS

High Grade Silver Totalling 175,000 Ounces Opened Up

Important developments have taken place on the Beaver property since the Coniagas has taken hold of it and in a short time the aggressive mining policy put in force has opened up large bodies of silver. In fact, one correspondent from the North states that already the ore encountered will give a total of 175,000 ounces of silver. Three important finds are reported to have been made, showing three distinct new veins of different widths and degrees of mineralization. All contain high grade.

Developments since reopening the Beaver, have been confined to the levels from surface down to 600 feet in depth. Meanwhile, pumping is being continued with a view to dewatering the mine to its lowest level of 1,600 feet. Aggressive lateral work is planned at the 1,400-foot level, where the geological condition on the lower side of the diabase sill corresponds with that of some of the most highly productive sections of Cobalt.

MATACHEWAN MINE WILL SOON OPERATE

Plant Being Taken in to Prepare for Event of Power

After some years delay, awaiting power, the Matachewan Gold Camp is shortly to come in for the real operating attention that its showings warrant. The Canadian Matachewan will as soon as the power is turned on, start operations on a large scale. In preparation for this effort a large compressor and other machinery is now being taken into the property.

The Matachewan property came into prominence a couple of years ago when the then American holders of claims, now a part of the present holdings of the Canadian Matachewan, carried out one of the most extensive diamond drilling campaigns ever conducted in the north country. So thorough was this, that down to the 1,000 foot level it was possible to say that the company could tell the values of practically the whole property. Since then the value of the holdings have been materially increased. It is estimated by the management that a short period of active mining will make available a large tonnage of $11 ore. The Canadian Matachewan should not be long in establishing a rich new camp on the mining map of Northern Ontario.

Monarch Knitting's Earnings Increased

The net profits of the Monarch Knitting Co. were four times those of 1921, according to the 1922 annual report, the figures for 1922 being $116,531 as compared with $28,653. There was a balance brought forward from 1921 of $483,073, making the amount available for distribution $599,604. Preferred and accrued dividends absorbed $52,500 and the sum of $547,104 was carried forward into 1923.

During the past year, there was a great increase in sales, being 22 per cent. greater than the year previous. The quick assets of the company are shown as $1,580,321 and current liabilities as $920,634.

In dealing with inventories, the statement says these have been taken at cost or replacement values, whichever the lower. Depreciation account is growing rapidly, $70,000 being added last year, making a total of $457,149, while the profit and loss account stands at $547,104. The company has guaranteed a contingent liability, bank advance, to the Monarch Knitting Co. of New York, for $336,000. The company carries its holdings in the New York Co. at the nominal value of $1. Goodwill, contracts, trademarks, etc., are included in the assets at $995,905. Accrued dividends on preferred shares total $8,750.

The present year promises to be a good one for the company. It is announced that 1923 to date shows satisfactory increase over the same period last year.

Porcupine Mines Working on 40% Power Basis

Mining operations in Porcupine are now down to 40 per cent. of what they were six weeks ago. The storage of the power company has been exhausted and the available power now comes from the ice-restricted river flow. The mines have been forced to lay off many men. Conditions will not improve until the spring break-up.

U. S. Government expects to collect $1,500,000,000 income taxes in calendar year 1923, of which $400,000,000 will be collected March 15, $300,000,000 June 15, $250,000,000 September 15, $250,000,000 December 15 and the rest monthly.

Protection

If a man insures to protect his family, he safeguards his business. If he insures to safeguard his business, he protects his family.

We would like to discuss with you the advantage of a Great West Life policy as a means of protection and as a sound investment.

Write for rates and plans.

The Great-West Life Assurance Company

Dept. "G" Head Office: Winnipeg

Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE THIRD DAY OF APRIL

next, to Shareholders of record at the close of business on the fifteenth day of March.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, February 21st, 1923.

5½% Interest Return

INVEST YOUR SAVINGS in a 5½ DEBENTURE of The Great WestPermanent Loan Company

SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

HEAD OFFICE, WINNIPEG

Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

Dominion Textile Company

LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

WORLD TRADE OPPORTUNITIES

The resources of Canada and her capacity for foreign trade expansion are practically unlimited.

To exploit these fully it is necessary to have the best and latest information on world markets.

"The Manchester Guardian Commercial" supplies this—its aim is to be eyes, ears, intelligence, and gospel to the business man the world over.

It has its own correspondents posted at every junction and terminus of the world's commerce so as to miss nothing in finance, trade or manufacture in any country which matters to-day or will tell to-morrow.

No business house or individual interested in foreign trade can afford not to read "The Manchester Guardian Commercial." To the Canadian leader of industry, its advertising columns form an invaluable medium to link up with the importer, exporter and manufacturer throughout the world.

"The Manchester Guardian Commercial"

$4.00 per year

North American Office: 220 West 42nd St., New York.

CANADA TO TEST OUT GOLD FIELDS OF LABRADOR

Dominion Department of Mines Arranges to Send Expedition

GLACIATED POCKETS?

It is Possible That Wonderful Deposits of Gold Are Only Small Pockets Left in Glacier's Passage

From Our Own Correspondent.

MONTREAL.—The question of ownership and the gold possibilities of Labrador takes on additional interest from the decision, understood to have been reached by the Department of Mines at Ottawa, to send a party of exploration into the country this summer.

As stated in a recent issue of THE FINANCIAL POST, Quebec and Newfoundland are playing the leading roles in the drama of Labrador ownership; Newfoundland because it has governed and policed Labrador for a number of years back; Quebec, because of a traditional belief that Labrador is theirs.

Governmental sources at Ottawa, questioned as to this matter of ownership, advised that it is generally accepted that Newfoundland owns the coast of Labrador through an arrangement made long since that gave the coastal fishing rights and the implied ownership of the coast to Newfoundland. The direct issue hinges, therefore, on how far the coast may be said to extend inland, and here Quebec enters the scene. It has been understood that Newfoundland owns from the main watersheds to the sea, though this understanding doubtless fill find itself contested by Quebec.

With the matter of ownership uncertain, it is obvious that the three gold mining companies that have holdings in Labrador leased from the Newfoundland government have a very precarious title to their lands.

At least one of these companies, the Labrador Goldfields, Ltd., is parceling its holdings into smaller ones which they are leasing for $200, to be worked by the lessee with an increasing percentage of profits to the company from any increased earnings of the holding. It is apparent that with the title of the land so indefinite, the gold digger must not only face the gamble of finding gold, but the gamble of the title to his holding. Not altogether a promising combination surely.

A suggestion to an Ottawa official that the Newfoundland government may have leased the Labrador areas, expecting through this priority to strengthen their claim to ownership brought a trite reply. "If the Newfoundland government," he said, "wishes to lift itself up by its bootstraps it is at liberty to do so."

Other facts of interest arise from a different angle; one from a news item appearing in an American paper which claimed that Canadian government mining officials had condemned rumors of gold in the Labrador as being unfounded on fact. THE FINANCIAL POST learns, however, that no such statement has been made from official sources and the Labrador Goldfields, Ltd., who brought the matter to the attention of Ottawa, have been advised of the lack of truth in the item. While the Department of Mines has not yet had representatives in the Labrador gold areas, and is not prepared to express an opinion on the value of the find, it is expected that an official survey will be made this summer when accurate reports can be had.

As to the finding of gold in quantity in Labrador, that is indeed questionable, despite the "lay of the land" suggesting a second Klondyke. It was pointed out that Labrador is a heavily glaciated country which argues gold in pockets rather than its presence in quantity.

This was graphically explained by reference to a table in the top of which an augur hole is bored and a coin placed in the hole. Imagine then the table top being planed but not to the depth of the augur hole with its coin safely held. And now you have a comparison with the glacier, known to have swept over Labrador crushing all before it, yet leaving untouched the pockets of gold beneath. Pockets of gold—accumulations in the river beds of gold from the mountain storehouses—deep below the under surface of the glacial monster. Now feeding the fancy of man that there is gold in abundance there, yet perhaps but the shadow of greater substance the glacier has swept into the sea.

The gold possibilities of Labrador are not yet known. Time may yet find the promoters right and the mining officials wrong.—(M. C.)

Seek to Incorporate Montreal Finance Trust

From Our Own Correspondent.

MONTREAL.—Senator J. P. B. Casgrain and a group of associates are behind a new trust company being incorporated by Act of Parliament. The company will be known as the Montreal Finance Trust, if that name is accepted by Parliament. Capitalization will be $250,000. which may later be increased to $2,000,000.

The provisional directors are Senator Casgrain; J. O. Casgrain, insurance broker; H. R. Casgrain, journalist; P. F. Casgrain, K. C., M. P.; and A. C. Casgrain, K. C., all of Montreal.

West India Electric Feels Power Shortage

From Our Own Correspondent.

MONTREAL.—West India Electric Co. felt the effects of power shortage during 1922, but nevertheless had a satisfactory year. Gross income amounted to $541,033. After deductions for operating expenses, bond interest, rentals, etc., there was left $79,365 as net income. Four quarterly dividends of 1¼ per cent. were paid, leaving a balance of credit of surplus account of $802,606.

WESTERN GROCERS SHOWS REDUCTION

Was Able to Meet All Charges and Add to Surplus Account

Western Grocers net earnings declared in 1922 as compared with 1921, the total standing at $140,305 as compared with $169,783 after taking care of bad debts and depreciation. The balance forward was $38,049, making in all $178,355 available for distribution. Dividends which have been regularly paid at 7 per cent. called for the distribution of $167,202 and allowed $10,955 to be added to surplus, now totalling $154,271.

The balance sheet shows assets at $7,882,060 as compared with $7,973,310. Investments are slightly higher at $1,096,592, as against $1,086,631. Current and working assets have been reduced by over $100,000, this item standing at $3,638,864, as against $3,748,450. Merchandise on hand, accounts receivable, and cash on hand are all moderately lower. Goodwill and trade marks are carried unchanged at $3,111,722. Bank loans are still a heavy item, although some reduction has been effected during the year from $1,902,000 to $1,798,000. Trade liabilities, including acceptances and accounts payable, are higher at $455,763, as compared with $415,919. President W. P. Riley points out that sales and net profits in 1922 were unfavorably affected by the restricted purchasing power of the agricultural community of Western Canada.

PORTO RICO RAILWAY PROFITS ARE HIGHER

Company Husbanding Funds to Provide for Needed Extensions

Net earnings of the Porto Rico Railways for 1922 show an improvement over 1921. The gross was lower but operation costs were materially lower, thus leaving a greater margin of profit.

The figures follow:

	1922	1921
Gross earn.	$1,330,445	$1,332,485
Operg. cost	813,606	866,770
Net earn.	$ 516,839	$ 465,715
Other inc.	13,905	43,877
	$ 530,744	$ 509,592

Interest and preferred dividends left a balance of $274,469, and this with the surplus from 1921, $432,936, left a surplus of $707,405, or a balance forward of $557,405 when $150,000 was transferred to reserve.

Dealing with the question of common dividends, W. D. Ross, president, says that the directors appreciated the fact that the passing of the dividend was a disappointment to the shareholders, yet they are of the opinion, in view of the likelihood of capital expenditure being necessary on a substantial scale, that cash resources should be conserved and the company's financial position strengthened, so that new capital may be obtained on the best possible terms."

The liquid position of the company has improved as a result of the discontinuance of the dividend on the ordinary shares, current assets at $503,081, comparing with $403,203 in the previous year's report, and current liabilities at $355,625 with $390,131. Reserve fund before surplus at $98,988 compares with $105,339.

Holt, Renfrew Did Not Earn Dividends Paid

From Our Own Correspondent.

MONTREAL.—Profits of Holt, Renfrew and Co. were reduced during the fiscal year ended January 31, 1923, chiefly on account of unsatisfactory retail trade conditions in furs. The company continued to pay its preferred dividends of 7 per cent., but to do so had to call upon the profit and loss surplus to the extent of $34,810. The profits for the year were $128,373 and these were appropriated as follows:

	1922-23	1921-22	1920-21
Profits . . .	$128,373	$164,063	$171,592
Deprec. . . .	12,274	10,988	2,610
Balance . . .	$116,099	$153,075	$168,981
Interest . . .	77,282	69,134	89,820
Balance . . .	$ 38,817	$ 83,941	$ 79,161
Bond div., etc.	3,626	....	....
Net	$ 35,190	$ 83,941	$ 79,161
Pfd. divs. . .	70,000	70,000	70,000
Surplus . . .	$*34,810	$ 13,941	$ 9,161
Prev. surp. .	197,076	183,134	173,973
P. & L. bal. .	$162,266	$197,076	$183,134

*Deficit.

The amount of the company's bonds outstanding was increased from $216,000 to $600,000 during the year, giving a greater amount of working capital and reducing bank loans $260,000. Current assets total $1,571,561 and current liabilities $510,933. This means working capital of $1,060,628, an increase of about 33 per cent. over the previous year.

ABITIBI P. & P. CO. ADDS TO SURPLUS OVER $1,300,000

Earnings on Common Stock Only $7 as Compared With $11 in 1921

YEAR A GOOD ONE

Despite Low Earnings Company Opens 1923 With Prospects Very Favorable

From Our Own Correspondent.

MONTREAL.—At first glance Abitibi Power and Paper Company does not appear to have had as favorable a year in 1922 as in 1921. The annual report, which became available this week, showed net earnings, available for common dividends of $7 a share, as compared with $11 a share in 1921, and about $14.50 in 1920. But in 1921 the company had to put over $2,000,000 into a depreciation reserve. (Most of this was against logs that were not consumed until this year.) And in 1921 the company had to pay out nearly half a million dollars for taxes on 1919 and 1920 profits. These deductions reduced the amount available for transfer to profit and loss surplus. In 1922 the only similar deduction is one of $50,000 for tax adjustments. Thus although $500,000 was paid out in dividends, as against $250,000 in the previous year, the company carried forward a balance of $4,807,239, as compared with a profit and loss balance of $3,504,092 in the previous year and $3,688,571 at the end of 1920.

Despite the reduction in earnings per share that is shown, the report must be taken as indicating that, after the very heavy capital expenditures of the past few years, Abitibi has still further worked into a position where operations at present capacity are beginning to build up a liquid position more satisfactory than has been the case for some time.

Working Capital Account

Construction liabilities have been reduced; the "log pile" upon which a loss was taken is down to smaller proportions and the reserve against its depreciation has been accordingly reduced; larger reserves exist for plant and timber depreciation. Working capital shows a slight reduction, as this table indicates:

	1922	1921	1920
	$	$	$
Receipts ..	9,461,299	8,861,810	10,580,142
Expenses .	5,846,462	4,183,637	5,537,009
Net earn. .	3,614,837	4,678,172	5,043,133
Interest ..	929,123	849,743	501,946
Dep. & tax.	803,391	989,762	857,594
Yrs. surp..	1,882,323	2,838,666	3,683,592
Pref. divs.	70,000	70,000	70,000
Com. divs.	500,000	250,000	1,500,000
Tax Adj. .	53,177	....	....
Balance ..	1,259,146	2,518,666	2,113,592
Prev. bal.	3,548,093	3,688,571	1,574,979
Balance .	4,807,239	6,207,237	3,688,571
1919 & 1920			
Taxes ..	....	482,000	....
Dep. res...	....	2,177,144	....
P. & L. bal.	4,807,239	3,548,092	3,688,571

Still this must be viewed in the light of the depreciation reserve. Last year this reserve, if deducted from the working capital, would have left the latter at only about $200,000; a similar calculation this year would leave working capital at about a million dollars more. Viewed in this way the liquid position has shown some further improvement.

Gross receipts are shown as $9,461,299, which is an increase of about $600.000; expenses have jumped about $1,650,000, and net earnings for the year figure out at $3,614,837, as compared with $4,678,172. The profit and loss comparisons for the past three years are given here:

	1922	1921	1920
	$	$	$
Cur. assets	4,700,893	6,409,359	4,460,875
Cur. Liab..	3,185,254	4,702,173	4,588,306
Work. cap.	1,615,639	1,707,186	*127,431

*Shortage.

Balance Sheet Figures

Study of the balance sheet indicates an increase from $24,905,189 to $25,481,845 in the amount at which fixed assets are carried. This is more than accounted for by advances to and investments in subsidiaries. A new corporation, the Abitibi Transportation and Navigation Company is included this year. Current assets, as has been shown, have been reduced considerably, there being a cut from $3,441,165 to $2,592,886 in the value of the logs on hand.

The bonded indebtedness is reduced owing to redemptions of about $600,000. The current liabilities have been given above. It may be stated that in figuring them construction liabilities and provision for taxes have been included. The item of construction liabilities is reduced from $986,986 to $194,621, showing the near completion of the construction programme that has taken over $5,000,000 in about three years.

Probably the most gratifying line in the report is the statement of President F. H. Anson that the company has closed contracts for paper sufficient to operate at full capacity during the current year and at net prices considerably higher than those obtained during 1922. Thus entering a rising market; with capacity production assured; with construction expenditures pretty well out of the way and with expensive pulpwood almost entirely consumed, the company stands in a fair way to give a most satisfactory account of itself this year; to improve its working capital and earn substantial dividends besides.

Larger Profits Again for National Breweries

From Our Own Correspondent.

MONTREAL. — The breweries, judging from recent annual statements, have reached the position where their earnings are pretty much stabilized and not subject to violent fluctuations. The latest report to be issued, that of National Breweries, indicates earnings of $8.73 per share on the common stock, as compared with $8.62 in 1921. The present dividend rate is $4.00 a share. The chief improvement is to be found in the balance sheet which shows working capital of $961,000 in 1922, as against $524,500 in 1921.

The comparison of the profit and loss figures for the past three years gives these figures:

	1922	1921	1920
	$	$	$
Profits . . .	1,254,674	1,243,220	976,609
Bond int. . .	82,800	87,600	92,400
Balance . .	1,171,874	1,155,620	884,209
Deprec. . .	189,902	183,361	90,971
Balance. . .	981,972	972,259	793,238
Pfd. divs. ..	194,250	194,250	194,250
Balance . .	787,722	788,009	598,988
Com. divs. .	360,688	360,688	360,688
Surplus . .	427,034	417,321	238,300
Prev. bal. . .	2,035,559	1,618,238	1,379,938
P. & L. bal.	2,462,594	2,035,559	1,618,238

ADD TO THE CITY DAIRY BOARD

S. J. Moore has been named chairman of the Board of Directors of the City Dairy Co. and W. J. Northgrave, recently chosen as president was reelected to that post at the annual meeting of the company. E. G. Baker was added to the board.

PLAYER'S
NAVY CUT
CIGARETTES
PLAYER'S
NAVY CUT
CIGARETTES
"MEDIUM"

PLAYER'S
NAVY CUT
CIGARETTES

"Real Satisfaction"

Package of 10 - 20¢
" " 20 - 35¢
Enamel Tin " 50 - 90¢
" " " 100 - $1.75

WE OFFER THE UNSOLD
BALANCE OF

$6,000,000

8% Cumulative Convertible Preferred Stock

Dominion Alloy Steel Corporation
LIMITED
(Incorporated under the Dominion Companies Act)

AUTHORIZED CAPITAL

8 per cent. Cumulative Convertible Preferred Stock (Par value, $10)	$7,500,000
Common Stock (Par value, $10)	$7,500,000

Officers and Directors:

William B. Boyd, M.I.E.E.
Toronto, Ontario, President

Formerly Electrical Engineer, Illinois Steel Company, Chicago; formerly Chief Electrical Engineer, Dominion Iron and Steel Company, Sydney, N.S.; Chief Consulting Engineer to many large Canadian industries.

C. Harold Wills
Marysville, Michigan

President C. H. Wills Motor Co., Marysville, Michigan; formerly Chief Engineer, Ford Motor Company.

George A. Simpson
Hamilton, Ontario

Formerly Sales Manager and Special Representative of the Steel Company of Canada, Limited, Hamilton.

R. V. LeSueur, M.P.
Sarnia, Ontario

Member of Legal Firm, Hanna, LeSueur & McKinley; Solicitor for Imperial Oil, Limited, at Sarnia.

Sir William Mackenzie
Toronto, Ontario

Formerly President Canadian Northern Railway; President Toronto Railway Company; Director Canadian General Electric Co., Ltd.; Chairman of the Board of Directors, Brazilian Traction, Light and Power Co., Ltd.

J. J. Mahon
Newark, N.J.

Consulting Steel Metallurgist; formerly Chief Engineer of the Crucible Steel Company of America.

Auditors: Price, Waterhouse & Co. **Bankers: The Dominion Bank**

CHARTERED TRUST AND EXECUTOR COMPANY
Registrar and Transfer Agent

Object of Company

The Dominion Alloy Steel Corporation, Ltd., will manufacture Alloy, High Carbon and Special Quality Steel at Sarnia, Ontario.

The plant will be modern in every respect, and will include both "Open-Hearth" and "Electric" furnaces, blooming mill and bar mills, sheet mills, cold drawn steel plant, heat-treating plant, machine shops and testing laboratories.

Some Facts Regarding the Alloy Steel Industry in Canada

Canada is the second largest manufacturer and user of Automobiles in the world, and the automobile as it is constructed to-day would be impossible without the use of Alloy Steel.

Practically all the Alloy Steel used by Canadian Manufacturers at the present time is being imported from the United States, carrying a high duty in addition to freight rates.

Within a 60-mile radius of Sarnia, Ont., the importation of alloy and special steels into Canada greatly exceeds the initial production schedule of this company.

The consistent dividend records and profits paid by similar companies in the United States, along with the fact that this company will have no period of experimental work, but will operate on plans and patents proven by the most successful Alloy Steel Manufacturers in the United States, causes this Company to be very confident of its immediate financial success.

The coupon below will bring detailed information, price and particulars of this offering.

Dominion Alloy Steel Corporation
Limited
A Basic Canadian Industry Owned by Canadians
ROYAL BANK BLDG. **TORONTO**

A Copy of the Prospectus has been filed with the Provincial Secretary

DOMINION ALLOY STEEL CORP., LIMITED,
ROYAL BANK BLDG., TORONTO.

Gentlemen:—Without obligation, I would appreciate receiving complete details of this investment.

Name ....

Address ....

MONEY, BANKING AND EXCHANGE

MORE GAMBLING THAN BANKING WITH DEPOSITS

Further Incidents of Bizarre Finance Are Revealed

From Our Own Correspondent.

WINNIPEG.—Further revealing the bizarre "banking" of its executive head, Augustine Frederick Schimnowski, the latest developments in the crash of the Dominion Ticket and Financial Corporation are chiefly remarkable for the amazing faith of nearly 2,000 of Winnipeg's foreign-born in this "bank" as a depository for $790,000 hard-earned savings. Many a dollar that went down in the collapse represented the entire hoardings of a lifetime. "I worked for 18 years for my money and now my children are starving;" the distress of one woman depositor at the creditors' conference is typical.

The provincial government, asked to institute an investigation, has through Attorney-General Craig given assurance that the affair will be cleared up as satisfactorily as possible, which, however, promises to give the real sufferers no actual monetary relief. In the meantime the creditors have filed a demand for personal assignment of both Max Hoffman and A. F. Schimnowski both former presidents of the defunct concern. Hoffman, for his own company which suspended two days following the Dominion Ticket and Financial Corporation closure, has verbally offered to pay his creditors 100 cents on the dollar, if permitted to continue the direction of his own "banking" concern. "All that depositors may expect out of the wreck is 17 cents on the dollar, and will be fortunate if they realize that much," is the opinion of the Winnipeg Tribune in regard to the Dominion Ticket and Financial Corporation's ultimate settlement.

Salvage is Slim

Indeed the salvage from this latter financial derelict appears extremely doubtful. The investigating committee reports that the largest items listed in the assets are actually of small, if any, value. Assets totalled $924,250 and realizable assets according to careful compilation based on the sub-committee's reports aggregate only $133,221, which may only be added to if certain presently doubtful items are liquidated.

Frenzied finance immediately preceded the final downfall of the concern and President Schimnowski is revealed by the investigators as a desperate and romantic financier. In the amazing operations before the crash one man, So. Lobel loaned the Corporation $15,000 and in return got $79,500 as security. This security included a 60 day note for $16,500 at 10 per cent.; $36,856 in current collateral notes and $26,722 in agreement and mortgages. Another colorful transaction went through March, 1922, when Riva Lyone advanced the company $25,000 being given a third mortgage on the "bank's" premises for $30,000 (that is a bonus of $5,000) and in addition about $60,000 of current collateral notes. This loan was repayable in six months without interest until due, but 20 per cent. per annum after due date.

President Schimnowski during his financial career—and he is still in his thirties—has risen from a one-time $100 a year bank clerk to the $6,000 presidency of the now defunct "bank," and the holder, with Max Hoffman, of 300 shares of stock for which, according to the investigators, nothing was paid. One of the investigating sub-committees reports that Schimnowski when joining with Hoffman five or six years ago put $6,000 into the company. "Since then," says the report, "he has apart from salary drawn some $40,000 on his personal account and there is a note for that amount now. As to what there is to secure it we could not find anything substantial; his answers were somewhat vague."

Weird Banking

Banking methods during the Schimnowski regime are highly remarkable for the insight they give chartered bankers of the extent to which so-called banking concerns can depart from the usual banking practice. The investigators' report returned during the week by J. T. Haig, M.L.A., as chairman, in an analysis of the suspended company's assets says:

"Schimnowski appears to think most of them are good when the amount is small but when an item is a substantial sum it is very doubtful. In fact the value of local bills discounted is roughly speaking in inverse proportion to their amount. Taken as a whole the large sums swallow the small ones. We have not been able to add them up at all but of the first item of $100,000 a relatively small proportion would be of any value.

"When we came to the several items such as the $90,000 for foreign exchange and the foreign currency we spent a considerable time. The situation is this: About four years ago, Mr. Hoffman bought a large block of Russian roubles, something like 450,000 roubles. In a short time there was a great slump and a considerable loss of perhaps $50,000. Some attempt was made to cover when Mr. Hoffman went to Japan and met a number of Russian refugees and he was able to add something like 200,000 roubles to what they had before, for the same money.

"The system of doing business in Schimnowski's office in regard to foreign currency was to say the least not satisfactory. There was no system. There were no books kept either for purchases or sales of foreign currency. Slips were all they had. A person would come in; if they bought roubles they would put it on a pink slip; if they sold him foreign currency they would put it on a blue slip. They would keep these together until the next accounting day. Then they would total the groups up and the balance either way would make a credit or a debt. This went on for a considerable time. I asked Mr. Schimnowski whether they ever kept record of their foreign currency and his answer was they did not. Anybody who had access to the actual currency could help himself without anyone being the wiser since there was no tab on it at all.

"Then another point; any profits that were made were taken off; any losses were left there with the result that when a big loss took place this was put aside through some ingenious method as a dormant account in the hope some day that the old regime would be re-established and the roubles or other currency would have value. This dormant account grew until it stood at $93,000 and there is what looks like a note signed by the president for $93,000. Its value is absolutely nil."

Loan to Promote Bank

President Schimnowski sponsored his brother's amusement concession at River Park, to the extent of a $4,832 overdraft, which according to Schimnowski, "if the proprietor is given an opportunity to remain in business through the next season, the whole indebtedness will be paid by the end of June."

The investigators report that they expect little will be realized of the $94,217 which went to promote the Great West Bank, whose charter has since been forfeited. The future of the spectacular loan to United Shippers Ltd., which has been revealed as a liquor enterprise, amounting to $47,585 is contingent upon the assets being "liquidated." This presents a problem it is believed, for it has been reported that the Ontario revenue officers have seized the company's warehouses at Dryden, Ont., since the suspension of the Dominion Ticket and Financial Corporation.

FINGER PRINT SYSTEM TO PROTECT PAYROLL

Can Also be Used in Banks to Identify Depositors When They Withdraw Money

From Our Own Correspondent

MONTREAL.—One of the large taxicab corporations operating in Montreal has registered the finger prints of each of its drivers as a means of identification. One important purpose of the registration of these finger prints, is to prevent the possible "padding" of the payroll and protect the company against possible loss in the payment of wages to employees.

This represents a rather unique step for a Canadian corporation, although in the United States the use of finger print identification in industrial companies and banks is widespread. There are 45,000 banks in the United States and to date 4,000 of them have adopted the finger print system of identifying their depositors. When a saving depositor makes a withdrawal from his account and there is any doubt as to his identity, he is required to give the paying teller an ink print of his fingers, which is compared with the permanent record held by the bank.

None of the Canadian banks have taken up the system yet. A local finger print bureau is, however, trying to interest them in the plan and has already registered the finger prints of a number of private individuals. Under this plan the individual carries with him at all times an official card of the bureau with his finger prints upon it and if he is in a strange town and wishes to cash a cheque he has merely to compare his own finger prints with those upon the card and theoretically the local bank will immediately cash his cheque. In actual practice though it is felt that while the finger prints could not be forged, it would be possible to forge one of the cards and get money falsely in this way. To this the bureau replies that no man would be so foolish as to cash a forged cheque with its finger prints upon the back of it, and that this feature in itself prevents any possibility of fraud.

Few Bank Branches Opened in February

According to returns from the various Canadian chartered banks, only three new branches were opened during February, while for the same period eight branches were closed. The Bank of Montreal closed three branches, Sterling two, Dominion, Hamilton and Hochelaga one each. Following is a list of the branches opened and closed during the month:

OPENED

Molsons—London, West.

Provinciale—West, St. John.

Royal—Guanajay, Cuba.

CLOSED

Dominion—Arlington St., Winnipeg.

Hamilton—Pilot Mound, Man.

Hochelaga—Stroke Centre, Que. (sub-agency.

Montreal—Windsor, Ont. (merged with Ouellette Ave. and Chatham St.); Ceylon, Ont.. (sub-agency to Flesherton); Killaloe, Ont.

Sterling—Stayner, Ont.; Duntroon, Ontario.

BANK DENIES RUMOR

The Banque d'Hochelaga states that it was not a party to the appointment of Mr. R. O. Sweezey on the board of the Saguenay Pulp & Paper Co. The bank makes this statement in denial of a newspaper story to the effect that when J. E. Dubuc resigned from the management of the Chicoutimi Pulp Co. he had with the approval of the Banque d'Hochelaga, designated his successor on the board of directors of the company.

QUEBEC ENCOURAGES PRIVATE INITIATIVE IN POWER FIELD

(Continued from Page 1)

smaller one on the Kenogami River. Here there are water power developments producing 61,000 horse power, but which can only produce to their capacity for four or five months of the year. With the construction of the dam it will be possible to operate the units to capacity the year round. This will mean an increase in the annual production of the pulp mills in the neighborhood of 50,000 tons yearly. The dam will cost $2,000,000 and pay interest and sinking fund charges and a small profit to the province in addition.

How Leases Are Sold

Recently an important timber limit and water power lease on the north shore of the Gulf of St. Lawrence was sold and the terms of the transaction cast considerable light upon the policy of Quebec in the development of its natural resources. The privileges were offered at public auctions and three groups of copitalists competed for rights that included 2,000 square miles of timber limits and a 75 year lease on a water site that has 190 feet fall in two or three miles.

The government required a rental of $6,000 a year for the water fall and in addition, 50 cents per developed horsepower during the first five years, $1.50 for the next ten years and $2.50 for the next ten years, when rates would be further adjusted. A bonus of $400 per square mile was to be paid for the timber limits and the successful bidder was to undertake to develop 15,000 horse power as a minimum and establish a pulp mill of a daily output of at least 100 tons a day. The regular stumpage dues of $2.75 were to be paid and the bidders were asked to offer extra stumpage dues over and above the terms just mentioned. The Ontario Paper Company got the rights at $3.35 extra or $6.05 in all. And the province still retains all water power rights on the limits over and above the development at the one spot.

Under this policy of offering encouragement to private interests who will develop water powers on terms that still leave the provincial government in control and with ownership of its natural resources, water power development in Quebec is going ahead at the present time at an unprecedented rate. One result of the policy, Mr. Mercier hopes, will be to bring back to Canada industrial workers who have gone to the United States to seek jobs. Already new towns—Shawinigan Falls, Grand Mere, Clark City—have been established as a result of water power development and other new communities are expected to spring up.

Dollar Again Weaker; Sharp Advance in France

The premium on New York funds has increased during the week to 2½ per cent. and more, easing off again to 2 per cent. as a low for the period.

There has been a marked advance in francs and lira have also moved up considerably:

NEW YORK FUNDS

Mar. 15—Funds opened at 2¼ per cent. premium, and closed at 2 11-32.

Mar. 16—Opening at 2 3-8, funds touched a high of 2½ and closed at 2 15-32.

Mar. 17—Opened at 2½, advanced to high at 2 9-16, and closed at 2 17-32.

Mar. 19—Funds opened at 2 9-16, sold up to 2 5-8, closing at 2 9-16.

Mar. 20—Funds opened unchanged at 2 9-16, eased off to 2¼ and closed at 2 5-16.

Mar. 21—Opening unchanged at 2 5-16 funds eased to 2 and closed at 2 1-32.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Mar. 15	4.69½	6.27	4.82
Mar. 16	4.69⅛	6.24½	4.82
Mar. 17	4.69⅜	6.33	4.81½
Mar. 19	4.69⅝	6.46	4.85½
Mar. 20	4.69	6.52	4.84
Mar. 21	4.69⅛	6.89	5.00½

Royal

R. Appleyard, of the Chatham branch of the Royal Bank, has been transferred to the London branch.

Montreal

J. C. Prezeau, of Pointe Claire, has been appointed manager of the Megantic branch of the Bank of Montreal.

Nova Scotia

G. A. Blackie, manager of the Riverside branch of the Bank of Nova Scotia, has been transferred to the branch at Debec Junction, N. B.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Mar. 15, 1923	Change	%
Toronto	$ 81,624,216	—$ 9,109,810	10.0
Montreal	79,066,759	— 17,636,251	18.2
Ottawa	5,791,631	— 535,424	8.4
Hamilton	5,109,346	+ 272,170	5.6
Quebec	4,295,319	— 185,457	4.1
Windsor	2,773,771	+ 37,129	1.3
St. John	2,547,505	— 116,657	4.4
London	2,496,172	— 632,846	20.2
Halifax	2,482,211	— 426,108	14.6
Kitchener	926,266	— 40,478	4.2
Brantford	851,704	— 93,095	9.9
Moncton	810,401	— 537,718	39.2
Sherbrooke	718,017	— 42,865	5.6
Peterboro'	635,845	— 63,299	9.1
Kingston	465,605	— 86,543	15.7
Total East	$190,594,768	—$29,197,252	13.1

WESTERN CITIES

	Mar. 15, 1923	Change	%
Winnipeg	$30,562,884	—$10,751,091	26.0
Vancouver	12,700,456	+ 1,104,887	9.5
Calgary	4,411,820	— 358,846	7.5
Edmonton	3,545,408	— 439,045	11.0
Regina	2,824,380	— 100,031	3.4
Victoria	1,731,248	— 104,894	5.7
Saskatoon	1,230,708	— 176,260	12.5
Moose Jaw	909,300	— 154,109	14.5
Ft. William	632,787	— 45,623	6.7
N. Westminster	506,603	— 118,468	18.9
Brandon	455,316	— 104,076	18.6
Lethbridge	432,936	— 127,200	22.7
Pr. Albert	286,940	— 12,766	4.3
Med. Hat.	243,585	— 89,745	26.9
Total West	$ 60,474,371	—$11,477,267	15.9
Grand total	$251,069,139	—$40,674,519	13.9
Yr. to date	$3,110,424,546	—$177,133,939	5.3

Seriousness of Labour Agitation Referred to by President of British Empire Steel Corporation

Plans of Corporation to Increase Production Discussed by President R. M. Wolvin—Outlook for the Coming Year Most Encouraging.

At the annual meeting of the shareholders of the British Empire Steel Corporation, Limited, held in Montreal on Wednesday, March 21, the President, Mr. R. M. Wolvin, discussed at some length the operations of the corporation and its constituent companies during the year 1922 and reviewed the outlook for 1923. Looking into the future, Mr. Wolvin found the conditions very encouraging; plans are under consideration that will involve an increase in the companies' production and marketing of coal. Steel operations will be on a somewhat enlarged scale. Other favorable influences that are at work were mentioned.

Mr. Wolvin referred to the activities of labour agitators who had hampered the corporation's operations during 1922. The movement, he said, was apparently more political than economic in its objects and demanded the serious consideration of provincial and federal governments.

Mr. Wolvin said:

As President of your Company I take much pleasure in moving the adoption of the report of the Board of Directors, copies of which are now before you. The report covers the operations of the constituent companies for the calendar year 1922, and is the second accounting period in the affairs of your Corporation.

The year 1922 was most unsatisfactory, particularly in the manufacture of steel products, railway cars and equipment, and shipbuilding. The demand for these products was subnormal, and orders were only obtainable at prices below the cost of manufacture, and such business was accepted generally in an effort to provide employment.

During the fiscal year under review, your Corporation produced 4,254,874 gross tons of coal compared with a production of 4,404,921 gross tons in 1921. The coal mines did not produce any coal from August 15th to September 5th on account of the strike on the part of the coal miners. During the first four months of the year there was a very small demand for coal and very little encouragement to warrant our mining and banking the coal prior to the opening of the St. Lawrence river navigation. The strike of the coal miners in the United States created a coal shortage in Canada from April to September, and during that period there was a demand for all the coal we could produce. The output of the mines, however, had practically been disposed of in the early part of the season and every effort was made to fulfil these contracts and fair sale prices on our coal were at all times maintained.

Steel Plant Was Idle

There was intermittent operation of the steel plant in the early part of the year, and during the latter part two blast furnaces were continuously in operation. The steel plant at Sydney Mines was idle throughout the year, and the production of the mills at New Glasgow was at a minimum.

All operations at the Sydney steel plant were discontinued during the strike of the coal miners in August and September.

The Eastern Car Company plant was without orders for new cars during the entire year, and only operated to a small extent on car repairs.

The shipbuilding plant at Halifax was unable to obtain any orders for new construction during the year and was engaged only on repairs. Ship repairs were at minimum due to the large number of vessels laid up on account of lack of employment. Your large graving dock at Halifax was engaged 238 days out of a possible 312 days during the year.

Your Company pproduced 791,098 tons of iron ore at its Newfoundland mines during the year 1922, and shipped 724,862 tons to Germany, and 278,109 tons to Sydney, N.S.

During the year ample expenditures were made for the upkeep of plants and property, together with provision for usual operating reserves. Work has been continued on the sinking of the shaft at O'Neil's Point, which should be completed and in operation about May 1st, 1924. This shaft will reduce the underground distance from the foot of the shaft to where the coal is now mined by about 1½ miles, and in addition to getting better efficiency, will permit us to enlarge the operations of this mine and give us increased coal producing capacity.

Agreement with U. M. W. of A.

Labour problems have given your Directors a great deal of anxiety, and much time has been devoted to their consideration during the year. Coal mining is carried on at present under an agreement made with the United Mine Workers of America, an international organization of labour with headquarters in the United States. Constituent companies now controlled by this Corporation made their first agreement with the United Mine Workers in 1918, and these have been continued from time to time, and last year were extended until January 15th, 1924. Your coal mining companies practically operate under what is known as a "closed shop" agreement employing only members of the union, together with what is known as the "check off" system, which means that the dues payable to the union are deducted monthly from the wages of the workmen and then handed over by your Corporation to the local officials of the U.M.W. Dues collected in this way by your Corporation for the United Mine Workers amount to approximately $140,000 per year.

In view of the sensational reports which have been widely circulated, and recent utterances of the local officials of the United Mine Workers, with whom we have wage agreements, I think it advisable at this time to deal more fully with the disturbed conditions under which we have been operating. With every desire to be fair, just and liberal in all their dealings with the employees, our Operating Officials, have been very much hampered by incessant plotting on the part of outside labour agitators, who concentrated their efforts on Cape Breton during the past year. These socialistic agitators thrive best in troubled waters, and by constantly stirring up and magnifying petty grievances, creating discontent and irritation, they impaired the efficiency which might otherwise have been reasonably expected in our operations. All these things are eventually reflected in the earnings of your companies. The isolated position of Cape Breton in the extreme East, without adequate police protection, makes it more difficult to deal with sudden outbreaks of mob violence and it has therefore become an attractive field for the operation of Socialists and Communists from other parts of Canada and the United States. Within the past year we have had two interruptions of work. One of these affected your coal companies and was precipitated at the time of an election of the United Mine Workers' Officers, owing to rival candidates outbidding each other for support, by demanding higher wages for the members of the Union. We have had responsible officers of the Union, after signing agreements with us on behalf of their members publicly declaring that the contract signed by them was not binding on their part, but only binding on your company. We have had the U. M. W. officials in their official newspaper and on the public platform in Nova Scotia and elsewhere openly justifying the destruction of the Companies' property by strikers. We have also had the United Mine Workers (District No. 26) publishing in the press their application for affiliation with the Red International at Moscow, and we have reason to believe that this was only abandoned when the U. M. W. headquarters in the United States compelled the local officials to recede from this position.

When the U. M. W. entered into the first agreement in 1918, some of the most intelligent of our workmen occupied high positions in the local organizations and such men resent the presence of outside agitators in their community.

Money Used for Propaganda

When it is considered that your constituent companies under strong pressure during the war, and after protracted negotiation, reluctantly decided to recognize the United Mine Workers and adopt the "check off" system, based on solemn assurances given by the chief officers of the U. M. W. that every effort would be made to bring about better relations with the employees and that petty strikes should cease, you will not be surprised, if on your behalf, I have vigorously protested against constant attacks on this Corporation and urged upon the authorities that the time has now come when the activities of revolutionaries in Nova Scotia should be brought to an end. We have reason to believe that money collected by us for the U. M. W. through our Offices is being used as the main support for most dangerous newspaper propaganda, not only aimed at this Company, but for the avowed purpose of overturning established Government in Canada. The storm centre for this agitation appears to have shifted to Cape Breton and has now reached an acute stage demanding consideration by all thoughtful and responsible citizens. The movement is apparently more political than economic in its objects and is causing alarm to all who are interested in the industrial development of Nova Scotia, and therefore demands very serious consideration by the Government authorities both at Halifax and Ottawa.

Outlook for The Corporation

We have produced since January 1st last up to and including March 17th, 1,165,760 gross tons of coal compared with a production of 752,613 gross tons in the same period last year. Owing to coal shortage this past winter during which reserves have been exhausted, I feel confident of our ability to successfully market our full coal production this year and thus provide steady employment at our extensive coal mining operations. Canadian people are now greatly concerned over their coal supplies and Dean Adams, of McGill, last week very forcibly showed in the published report of his address that, the very existence of this country is jeopardized during our cold winter months, by its dependence on the United States for coal supplies.

Your Directors have given consideration to the future coal supply of Eastern Canada and to plans for the extension of our markets in the Province of Ontario. We have had under consideration carefully prepared plans and estimates for the extensive development of your large coal areas, involving large expenditures of money for new collieries during the next three or four years. Our coal reserves are ample to provide for the needs of the Canadian people in Eastern Canada provided our efforts to develop these properties are not impeded by further labour troubles. We have also under consideration plans for the manufacture of coke suitable for household use as a substitute for anthracite coal now imported into Quebec and Ontario from the United States.

The Iron Ore mines in Newfoundland have been operating all winter with the exception of about two weeks. The disturbance of our ore shipping business due to the occupation of the Ruhr by France has caused us some anxiety. We believe, however, that these difficulties will soon disappear, and we have reason to expect that our ore will be used in the furnaces in that district this year in about the same quantity as last year. In addition to this, we have reasonable prospects of selling ore in England and the United States, and the requirements of our steel operations at Sydney will be larger than last year.

Steel Prices Have Advanced

Since the first of the current year, there has been a steady advance in the price of steel products. Your Company has obtained considerable business running through the first six months of this year. With the first revival of business it invariably follows that orders are accepted at low prices until producing capacity for some little time ahead has been provided for. Future business should be at higher prices, and from now on we shall have the benefit of better manufacturing results on account of the volume of orders on our books.

The Eastern Car Company which had no orders for new cars last year is now running practically full capacity, with fair prospects of good business throughout the year.

Since the outbreak of labour trouble at the Steel Works, conditions have improved, and there seems to be the first symptons of a healthy reaction in public opinion by the defeat of the radical element in the city elections at Sydney. In fact, public opinion has been aroused over acts of violence and lawlessness openly advocated in Cape Breton by labour organizations and others who have no interest whatever in the affairs of the Steel Plant.

Your Directors have been giving sympathetic consideration to the question of steel workers' wages, and while we have not been able to announce an increase in wages, it is our intention to have our employees at the steel works share in any increased prosperity of the Company.

If Canada is favoured with good crops this year and without serious labour disturbances, I would look forward to much better conditions in our affairs. On the whole, the general outlook is decidedly more encouraging, as we now have a good demand for our products and at prices that are on the up-grade.

I take this opportunity to express my appreciation of the loyalty of the clerical staff and other departments and of the superintendents and foremen and the workmen who assisted them, under most trying conditions to protect your steel plant at Sydney from serious damage during the recent strike, and also to those who rendered such valuable service in protecting the Companies' coal properties during the coal strike in August and September last year.

Share Capitalization Reduced

Following the address of the president a resolution was submitted to the shareholders and passed by them reducing the authorized capitalization of the corporation from $500,000,000 to $250,000,000. The authorized amount of 8 per cent. cumulative preference stock is reduced from $100,000,000 to $60,000,000; the 7 per cent. cumulative second preference stock is reduced from $135,000,000 to $75,000,000 and the common stock from $210,000,000 to $75,000,000. The 7 per cent. non-cumulative preference stock authorized to the amount of $15,000,000 is eliminated. A motion was adopted calling a special general meeting of shareholders for April 9 to pass the necessary by-laws to implement the resolution.

A resolution was moved by Mr. Lorne C. Webster thanking the president and directors for the excellent report presented to the shareholders.

The board of directors was re-elected with the addition of Messrs. George Campbell and Hon. J. P. B. Casgain. Mr. Campbell is president of the Bank of Nova Scotia.

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St. Maurice Power 6½'s..................	1953
Montreal Public Service 5's..........	1942
Montreal Public Service 6½'s	1924
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NEWS AND VIEWS FOR MANAGERS

Important Bank Act Amendments As Being Submitted at Ottawa

They Will Provide Against Loose Auditing and Will Permit Shareholders to Judge of the Attention Given the Affairs of the Bank by Directors

Following are the changes proposed in the Canadian Bank Act. They will be found of particular interest to bank officials and branch managers. Some of the amendments provide:

Attendance of directors at meetings to be reported.
Prohibiting loans to officials.
Responsibility for government returns.
Control of audit by shareholders.
Pension funds shall not be invested in bank shares.

Section 18: **Pension or guarantee funds.** "No part of any such guarantee or pension fund, whether contributed out of the funds of the bank or not, shall be invested in the shares of any bank."

Section 28: **Meetings of directors.** "A record shall be kept of the attendance at each meeting of directors. A summary thereof prepared so as to show the total number of directors' meetings held and the number attended by each director shall be sent to each shareholder with the notice of the annual meeting."

Section 54: **Annual and special statements.** "Under liabilities must be shown in addition 'advances under the Finance Act' 'letters of credit outstanding,' 'appropriation account," 'contingent reserves, including undistributed profits.' Under Assests must be shown in addition 'United States and other foreign currencies.'"

Section 56: **Shareholders audit.** "The affairs of the bank shall be audited by two persons, who shall be chartered accountants, residing in Canada, who have, for at least six preceding the date of their appointment, as hereinafter provided, bona fide practised their profession as public accountants in any city in Canada in which there is located the chief office of a bank."

"A list shall be furnished to the Association Bankers by the Dominion Association of Chartered Accountants on or before the thirty-first day of July, 1923, and thereafter on or before the 30th day of June in each year of all members of their corporation in good standing whose names are entitled to be included therein as determined by the provisions of the last preceding subsection, together with their addresses and the names of the firms, if any, of which they are members, and such list or lists shall be certified under the seal of the Dominion Association of Chartered Accountants.

"The association shall select from such list or lists, the names of not less than 25 or more than 40 persons, not more than three of whom shall be members of any one firm, and shall, not later than the 31st day of August next following, deliver or send to the minister by registered post the names of the persons so selected.

"The Minister may, not later than the 30th day of September next following, remove from the list of persons so selected the name of any person of whose appointment to be an auditor of a bank he may disapprove.

"The minister shall, as soon thereafter in each year as may be convenient, cause to be inserted in two successive issues of the Canada Gazette, a public notice containing the names and other particulars of persons included in such selected list and not removed therefrom by the minister, and the persons included in such published notice shall be deemed qualified for appointment as auditors of a bank.

"The shareholders shall at each annual general meeting appoint two persons, not members of the same firm, whose names are included in the last published list, to audit the affairs of the bank. No person shall be appointed for more than three years in succession to audit the affairs of any one bank nor shall a member of any firm be appointed if any member or members of the firm have either alone or in the aggregate acted for three years in succession as an auditor or auditors respectively of the affairs of the bank.

"If any vacancy shall occur in the office of auditor of a bank, notice thereof shall forthwith be given by the bank to the minister, who shall thereupon appoint some other person included in the published list for the year to serve for the unexpired term of the person previously appointed.

"The remuneration of auditors shall be fixed by the shareholders at the time of their appointment, and in the event of any vacancy and the appointment of another auditor under the next preceding subsection, the remuneration so fixed shall be divided according to the length of time each auditor acted as auditor of the bank.

"The minister may from time to time require that the auditors of a bank shall report to him upon the adequacy of the procedure adopted by the bank for the safety of its creditors and shareholders, and as to the efficiency of their own procedure in auditing the affairs of the bank; and the minister may at his discretion enlarge or extend the scope of the audit, or direct that any other or particular examination be made or procedure established in the particular case as the public interest may seem to require."

Sec. 59. "The directors who knowingly and wilfully concur in any division of profits exceeding the rate of eight per cent. per annum, unless after making the same the bank has a rest or reserve fund equal to at least 30 per cent. of its paid up capital after making the appropriations necessary to provide for losses, shall be jointly and severally liable for the amount as divided, as a debt due by them to the bank."

Sec. 76. "Except, as authorized by this act, the bank shall not, either directly or indirectly:

"(d) Lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank without the approval of the directors any amount or amounts exceeding in the aggregate $1,000 and not exceeding $10,000."

"(e) Lend to or on the security of the general manager, assistant general manager, branch manager, or any officer, clerk or servant of the bank any amount or amounts exceeding in the aggregate $10,000."

Sec. 79. "Acquisition of real estate. The return to the minister shall show the fair market value of its real and immovable property either in its own name or in the name of a trustee or of a corporation controlled by the bank.

"Such return shall state separately each parcel of real property held by the bank and also each such parcel shall state;

"The registered owner thereof, if the bank is not the registered owner.

"The amount of any mortgage thereon, and if more than one parcel is subject to the same mortgage, the parcels subject to such mortgage shall be segregated in such return and identified therewith;

"The extent (if any) to which each such parcel is not held for the actual use and occupation of the bank; and such return shall be signed by the chief accountant, and by the president, or a vice-president, or the director then acting as president, and by the general manager or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the said return is made."

Sec. 88a. **Notice of intention to give security.**

"Any person intending to give a bank security under the authority of section 88 of this act must give notice of such intention before any loan is made by the bank to such person and the security taken, by signing a document which may be in the form set out in schedule F of this act, or to like effect. Such document must be registered in the manner hereinafter provided, and, after this section comes into force, any security subsequently taken under the authority of section 88 of this act, before such document is registered shall be deemed to be notice for the purposes of this section in respect of all securities taken by the bank from such person, under said authority, during the period of three years after the date of registration.

"The document mentioned in the last preceding sub-section shall be registered in the office of the Assistant Receiver General in the province in which the place of business, or the principal place of business of the person is situated. If the person has no place of business, then the document shall be registered in the office of the Assistant Receiver of the province in which such person resides. 'Places of business' and 'principal place of business' shall, in the case of a company incorporated in Canada, be deemed to be the place where the Head Office or chief place of business of the company is situate, or if a foreign corporation that the place of business of such corporation for the purposes of this section shall be the place at which civil process in the province in which the loan is made can be served upon the company. 'Assistant receiver' in this section includes any one acting for the Assistant Receiver.

"The Assistant Receiver shall number consecutively every notice received by him and shall endorse thereon the number and the hour and date of receiving it, and shall file the notice and enter, in alphabetical order, in a book to be kept by him, the name of every person who has given notice of such intention with the number endorsed thereon opposite to each name. The Assistant Receiver shall endorse over his signature on a copy of the document to be supplied by the bank for the records of the bank the date of registration and number and the production of the copy with such endorsation and signature shall be conclusive evidence in all courts of the registration and of the time of registration as thereon endorsed.

"The notice of intention may be cancelled by the Assistant Receiver in the book containing such registration at the place where the registration is entered on receipt by him from the bank named in the document registered of a certificate duly signed on behalf of the bank to the effect that each and every security given to the bank by the person has been released or that no security was given to the bank, as the case may be and such certificate shall bear on the face thereof the number and date endorsed on the original document on file in the office of the Assistant Receiver. **The Assistant** Receiver shall number consecutively every release received by him and shall endorse thereon the number and the hour and date of its receipt and shall file the release.

"Every person upon payment of the proper fees shall have access to and be entitled to inspect the registration book and any document registered or filed persuant to this section."

Sec. 96. **Garnishee order.** "An attching or garinshee order shall only affect and bind moneys to the credit of the debtor at the branch agency or office of the bank where such order or notice thereof is served."

Sec. 113. **Returns.** "At the end of clause I, the following new words are added: 'And such returns shall be deemed to have been prepared approved and concurred in by the person severally who have so signed the same.'

"Notwithstanding anything in the last preceding section contained it shall not, except as to the chief accountant or acting chief accountant of the bank be sufficient for the purposes of any return provided for or required under the said section that such a return agrees with the books of the bank, but the return shall set forth the true financial position of the bank on the last juridical day of the month last preceding the date of the return according to the latest information possessed by or reasonably available to the officers or any of them who signed the return; and without restricting the generality of this sub-section the President, Vice-President or Director acting as President and the General Manager or principal officer of the bank who have severally signed any such return shall be deemed so to have ascertained the true financial position of the bank on the last day of the month last preceding the day of the declaration of any dividends.

"For the purposes of any return provided for or required under the last preceding section, or for the purposes of any statement or balance sheet prepared and issued by a bank, there shall not be included amongst 'current loans' any loan in respect of which—

"The borrower has not for a period of twelve months preceding the date of such return, statement or balance sheet paid the interest thereon at the rate agreed in cash unassisted by the bank;

"The bank has taken possession of the property or any part of the property covered by any security given by the borrower with the intention of realizing thereon, or has realized or taken any step or proceeding for the purpose of realizing upon any security given by the borrower;

"The bank has commenced an action of law to recover from the borrower the amount of the loan or any part thereof;

"The borrower has made an abandonment of his estate for the benefit of his creditors or any of them; or

"There is other cause, sufficient in the opinion of the manager of the branch of the bank where such loan is domiciled, or in the opinion of any Director or officer of the bank who prepares signs, approves or concurs in such return statement or balance sheet for deeming such loan not to be a current loan.

"Whenever a bank carries on any part of its operations in the name of the corporation controlled by such bank, then the assets and the liabilities of such corporation shall for the purposes of any return required under the last preceding section, or for the purposes of any statement prepared and issued by the bank, be deemed to be assets and liabilities of the bank, and whenever the capital stock of such corporation is not wholly owned by the bank, the shares not owned by the bank shall for the purposes only of such return or statement be included therein as a liability of the bank.

"Whenever a bank has appropriated, out of its profits for any period, with the consent and approval of its shareholders had and obtained at any annual or special general meeting any sum for the writing down of its bank premises or other assets, no portion of such sum so appropriated shall be again taken into account for the purposes of any return required under the last preceding section, or for the purposes of any statement prepared and issued by the bank, without the consent and approval of its share-holders in like manner first had and obtained.

"For the purposes of any return provided for or required under the last preceding section the 'appropriation account' shall be the total amount estimated or ascertained to be necessary to provide for losses due to any cause whatsoever according to the latest information which can be made available therefor."

Sec. 146. **Prohibited business.** "Loans to or on the security of the general manager, assistant general manager, branch manager or any officer or servant of the bank without the approval of the directors any amount or amounts exceeding in the aggregate one thousand dollars, not exceeding ten thousand dollars;

"Lends to or on the security of the general manager, assistant general manager, branch manager or any officer, clerk or servant of the bank, any amount or amounts exceeding in the aggregate ten thousand dollars."

Sec. 153. **False returns.** "Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who knowingly prepares or concurs in any account, statement, return, report or documents respecting the affairs of the bank containing any false or deceptive statement," etc.

"Every president, vice-president, director, auditor, general manager or other officer of the bank, knowingly prepares, signs, approves or concurs in any return respecting the affairs of the bank provided for or acquired by section 112 of this act which does not set forth the true financial position of the bank on the last juridical day of the month last preceding the date of the return according to the latest information possessed by or reasonably available to the aforesaid officers or any of them who sign, approve or concur in the return or any knowledge respecting the true financial position of the bank which was by law at the date of the return impute to any such officer and which by the requirements of this act should have been set forth in the return, shall be guilty of an indictable offense, punishable, unless a greater punishment is in any case prescribed therefor, by imprisonment for a term not exceeding three years."

Sec. 156A. **Receiving money on deposit.** "Every person who receives money on deposit or receives money for transmission to a foreign country without being authorized so to do, either by or under the authority of a statute lawfully enacted, shall be guilty of an offense against this act, unless a license to receive money on deposit and to receive money for transmission to a foreign country has been granted to such person by the city, town or other municipal division in which he carries on business. The license or a renewal thereof shall be valid for the period of one year from the date on which the same was granted.

"Such license shall not be granted or renewed unless—

"The aldermen or members of the council of the city, town or other municipal division or a majority of them, by resolution passed at a regular meeting, or special meeting called for the purpose, declare that the person applying for a license, or renewal thereof, is a fit and proper person to receive such license; and

"A deposit has been made by such person with the city, town or other municipal division in which the person carries on business, of bonds, debentures or stocks of Canada, or a province thereof, or of a Canadian city or municipality, of a market value at least equal to 25% of the amount of the money on deposit and of the money received for translation but in respect of which no foreign exchange has been purchased and delivered, but in no case shall the market value of such deposits be less than ten thousand dollars.

"The bonds, debentures and stock so deposited shall be held as security for payment, pro rata, to depositors in the event of the insolvency of such person, and the income therefrom shall be paid while so held to the person depositing.

"The market value of the bonds, debentures or stocks so deposited shall be, at all times during the currency of the license, at least equal to 25% of the amount of the money on deposit and of the money received for transmission, but in respect of which no foreign exchange has been actually purchased and delivered; and if the market value of the securities deposited as aforesaid is at any time less than 25% of the amount of the money on deposit and of the money received for transmission but in respect of which no foreign exchange has been purchased and delivered, such person shall be guilty of an offense against this act."

WESTERN LUMBER

The Canadian Western Lumber Company reports sales of lumber for the month of January amounting to 9,614,521 feet as compared with 5,972,592 feet sold during the same month in the previous year, while the price realized at $252,263 compared with $136,458 last year.

ABITIBI POWER AND PAPER COMPANY, LIMITED

NINTH ANNUAL REPORT

For the FISCAL YEAR ENDING DECEMBER 31, 1922

To the Shareholders of the
Abitibi Power & Paper Company Limited.

Your Directors herewith submit their report for the fiscal year ending December 31, 1922.

The year's operations show a profit of $3,614,837.30, before providing for interest and reserves. After deducting interest, income tax for 1922 and reserves, there remained a surplus of $1,882,323.32, out of which was paid Preferred Stock Dividends of $70,000.00, Common Stock Dividends of $500,000.00 and an adjustment of Government taxes of $53,177.27. The balance, added to the surplus as at December 31, 1921, makes a total surplus as at December 31, 1922, of $4,807,238.85.

The Company has closed contracts for paper sufficient to operate at full capacity during the current year and at net prices considerably higher than those obtained during 1922.

F. H. ANSON, President.

Balance Sheet December 31, 1922

ASSETS

Fixed Assets:			
Land, Timber Limits, Water Powers, Buildings, Machinery and Equipment, including cost of financing..........			$24,100,992.14
Capital Stock and Advances to Abitibi Lands & Forests Limited (Townsite Properties), Abitibi Transportation & Navigation Company Limited and Capital Stock of Iroquois Falls Merchandising Company Limited.......			1,380,852.87
Total Fixed Assets			$25,481,845.01
Current Assets:			
Inventories at Cost:			
Logs and Expenditures on 1922-1923 Season's Logging Operations		$2,592,886.19	
Paper, Pulp, Materials and Supplies......		721,427.09	
		$3,314,313.28	
Accounts Receivable		850,492.11	
Cash on hand and in Bank..................		536,087.75	4,700,893.14
Other Assets:			
Taxes, Insurance and other Expenses Prepaid..........			100,206.18
			$30,282,944.33

LIABILITIES

Capital:			
Common Stock — Authorized and Issued — 250,000 Shares of no par value..........		$5,000,000.00	
Seven Per Cent. Cumulative Preferred Stock —Authorized and Issued—10,000 Shares of $100 each		1,000,000.00	$6,000,000.00
Funded Indebtedness:			
Consolidated Mortgage Sinking Fund Gold Bonds—			
Issued	$4,500,000.00		
Less—Redeemed	316,600.00	4,183,400.00	
Reserved for refunding Underlying Bonds	7,523,500.00		
For additional Working Capital	1,684,500.00		
	$9,208,000.00		
First Mortgage Six Per Cent. Gold Bonds—Authorized	5,000,000.00		
Less—Redeemed and cancelled to date	1,476,500.00	3,523,500.00	
General Mortgage Six Per Cent. Gold Bonds.		4,000,000.00	11,706,900.00
Construction Liabilities			184,621.49
Loans and Trade Liabilities:			
Bank Loans (secured under Sec. 88 of the Bank Act)		$1,000,000.00	
Current Accounts and Bills Payable		1,122,247.79	
Liabilities for Materials in Transit.........		80,735.79	
Fixed Charges Accrued		305,700.16	
Wages Accrued		68,875.31	2,577,559.05
Dividends Declared:			
Payable January, 1923			267,500.00
Provision for Government Taxes			423,074.06
Reserves:			
For Depreciation of Plant and Exhaustion of Timber Areas		$3,897,362.34	
For Bad Debts		25,000.00	
For Depreciation of Inventories		393,688.54	4,316,050.88
Surplus and Undivided Profits			4,807,238.85
			$30,282,944.33

Contingent Liabilities:	
Bonds and other obligations of the Abitibi Lands & Forests Limited and the Abitibi Transportation & Navigation Company Limited guaranteed by the Company to the extent of..................	$870,268.34

Approved on behalf of the Board,

W. K. GEORGE, Director.
VICTOR E. MITCHELL, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of the Abitibi Power & Paper Company Limited for the year ending December 31, 1922, and have obtained all the information and explanations which we have required; and we Certify that, in our opinion, the above Balance Sheet at December 31, 1922, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Company.

PRICE, WATERHOUSE & COMPANY, Auditors.

Montreal, March 13, 1923.

Statement of Income and Expenditure

FOR THE YEAR ENDING DECEMBER 31, 1922.

Receipts from Sales of Paper and Pulp....................		$9,461,299.17
Operating, General and Administration Expenses..........		5,846,461.87
Net Earnings		3,614,837.30
Deduct:		
Interest on Bank Loans and Funded Debt..............		929,122.77
		2,685,714.53
Reserve for Depreciation, Depletion and Bad Debts, Provision for Income Tax, 1922		803,391.21
Surplus for Year		1,882,323.32
Deduct:		
Dividends on:		
Preferred Stock	$ 70,000.00	
Common Stock	500,000.00	
	570,000.00	
Adjustment of Government Taxes..........	53,177.27	623,177.27
		1,259,146.05
Add:		
Surplus December 31, 1921		3,548,092.80
Surplus as per Balance Sheet		$4,807,238.85

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

President - - - - - - - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - - - - - HORACE T. HUNTER
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The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MARCH 23, 1923

PROBLEM IS CREDIT NOT CAPITAL

TAX exempt farm loan government bonds are favored by the Saskatoon Star as a means of providing cheap money for the farmers, it being pointed out that in the United States these bear only a little over four per cent., but are sought by the wealthy with incomes of over $100,000 a year because they actually provide a better net return than other bonds which are assessed for income tax. But what would the Saskatoon Star say when the millionaires by turning a substantial portion of their fortunes into such bonds, evaded paying that large share of the country's taxes which they now contribute? What new source of tax revenue has the Star to suggest after relieving the possessors of big fortunes?

As a matter of fact, the trouble with the Western farmer is not that there is a shortage of available money, but that he has not the credit on which to borrow. Borrowings are already heavy, profits are uncertain — in brief, it is not good business to finance Western farming operations under prevailing conditions. And legislation has aided to the ordinary risks.

Under these circumstances the demand is that the government step in and supply the credit which individuals have exhausted. Certainly, if the use of government credit for the benefit of one class of the community is ever justified, it would seem to be warranted in this case. But it must be remembered that the government is assuming more than ordinary risks, because experience has shown that money borrowed from the public treasury is reluctantly, if ever, returned—and in the last analysis the public purse is the people's purse.

MIXED FARMING TO BEAT THE GAMBLE

THE article in THE FINANCIAL POST discussing agriculture as the greatest of gambles, on the basis of the $1,150,000,000 possible spread in the result of field crops in 1922, considering range of yield and price in the past five years, has set a banker figuring on the individual stake in the game. He figures the maximum acreage capable of being worked — plowed, harrowed, seeded, reaped, etc.—by one man with a team of horses is eighty acres. On an average yield of 17¾ bushels per acre he would have 1420 bushels, which at 85c would yield $1,207. He comments that the selling price might be considerably less than 85c and that in any event there would be a "truly magnificent sum to support a man and his family, plus the horses, for a year, to say nothing of taxes, insurance, repairs, and probably interest on a mortgage debt."

We believe the figuring is sound. We believe too, that it proves conclusively that a man can hardly provide a living for himself and family on 80 acres if he devotes his whole energies to growing wheat. There are two inevitable conclusions. The man who wants to grow wheat exclusively, must have a larger area and employ modern machinery and equipment so that he can operate; or, if he is going to live on an 80 acre farm, he will have to go in for mixed farming instead of growing wheat. We see on the one hand, in countries like Canada where land is cheap, larger farms devoted to wheat growing and on the other hand, in the older countries, small farms operated by intensive methods to increase the output and profits per acre.

There would appear to be then two points to emphasize. The first, that grain growers should use modern equipment to operate as cheaply as possible, and should employ scientific methods to increase the yield per acre. The second that, with increasing population, the importance of mixed farming to increase output and reduce overhead expense in relation thereto is imperative. How the farmer can best be aided to adjust himself to these conditions is another matter, but agriculture is as old as civilization and history is the textbook of experience.

WE LIVE ON WHAT WE EARN

DURING the recent snow storm, when the Toronto streets were being cleared, drivers were to be seen loafing at sixty cents an hour on their vehicles until leisurely shovellers completed their loading task at sixty cents an hour. No driver as he smoked thought of assisting a shoveller. In fact, one driver climbed down and as he lighted his pipe, conversed with a shoveller who desisted in his leisurely efforts. Here was labor worth about 20 cents or 40 cents an hour, being loafed away at the rate of $1.20 per hour, while the horses for the time of which the city also paid stood idle.

This incident is here described not as a further argument against municipal wastefulness and inefficiency alone, as indicative of a weakness in the whole industrial fabric. It is not so much a question of high wages — ridiculously high in the case referred to—as the fact that these high wages are not being earned. If the present standard of living is to be maintained—and that is highly desirable—it can only be done on the basis of earnings. This refers to all classes in the community. The farmer has already done much towards taking the loss which a lower cost of living demands. He is working hard and spending carefully. Industrial workers in some lines have taken lower wages, but there is a general tendency on the part of the organized bodies to stand out for both high wages and short hours in spite of a reduction in the living cost. A more healthy situation here must be brought about. It is not so much a question of cutting down wages as it is of getting production at a price — getting a volume of goods at prices which the farmers and others can pay—and thus encouraging normal manufacturing operations and a wide distribution of the products which mean comfort and enjoyment.

Nor is the problem to be solved by the farmers and the industrial workers alone. It is for all classes of the community. To increase production and maintain wages not only means application and a reasonable work-day, but it means that methods of production be improved, that organization be perfected and the most efficient in plant and equipment employed. It means that costs of distribution be reduced all along the line, that salaries of executives and managers be well earned, and that expenditures coming under the general head of "overhead" be closely watched. It means that public business must follow the example of private business in bringing about more careful spending and more efficient administration, in order that taxes may be reduced, rents brought lower and capital generally encouraged; this will encourage those enterprises which will mean the development of our resources and insure plenty of both food and manufactured products to go round at prices which the people can afford to pay. It means in brief, hard work, clear thinking and careful living for everybody.

MANUFACTURING AND ADVERTISING

THE resolution before the Commons by H. C. Hocken, West Toronto, calling for a duty on foreign magazines and periodicals has a much broader importance in the industrial and commercial sense than regarded merely as a measure of protection for a Canadian industry which is handicapped in the same sense as other manufacturers are because of the much smaller market available. Advertising costs to Canadian manufacturers and distributors are directly involved—and advertising has now become generally accepted as an essential factor in the efficient merchandising of goods. Besides, the made-in-Canada campaign would undoubtedly be given added impetus if high-class Canadian advertising mediums were encouraged at the expense of some of the trashy publications and advertising mediums now coming into the country.

It requires no deep analysis of the situation to appreciate the great factor in the merchandising of American-made products in Canada provided through the circulation of American periodicals. These publications with their big circulations and large advertising revenues are able to spend money very freely for their editorial features and they put the Canadian publisher at a distinct disadvantage with his limited field for circulation upon which income from advertising depends; nor is he able to offer that encouragement to Canadian writers which would produce the class of articles and stories best suited to the upbuilding of a solid, healthy national sentiment. A number of high-class publications have been forced out of business in recent years.

There are two arguments in favor of the tariff which are particularly applicable in this case. The first, that the revenue of the country would be increased—and increased on a commodity on which the public could afford to pay—and, second, that industry in Canada for the employment of Canadian workers would be encouraged. Duties on American manufactured products have not only brought revenue but have resulted in a large number of industries being established in Canada. But many of these industries still depend upon the American publications with their large Canadian circulations to cover their advertising in this country and from the profits of the Canadian business they send a substantial sum to American publishers for that purpose. On the other hand, when they or other Canadian manufacturers use Canadian mediums the effectiveness of the campaign is reduced because of the flood of American publications in the market. Catering only to a Canadian trade, Canadians are barred from the mediums used by their American competitors as they cannot afford the high rates which cover both the American and Canadian circulation.

From the publishers' standpoint there is the direct argument for a tariff that paper and other raw materials they have to import bear a duty while the competitive finished product comes in free. A tariff would result in revenue, in establishing a fair field, or if it resulted in branch printing plants in Canada so much the better for the country. However, it is the larger economic question of the cost of effective advertising to manufacturers and distributors which directly affects the business community and which parliament must consider primarily in the interests of the upbuilding of Canadian industry.

EDITORIAL NOTES

THE PROVINCES which by legislative regulation prevented the L. R. Steel selling organization from operating within their bounds have provided an example which other provinces might very well consider.

* * * *

IF THE Socialists had their way and conscripted all capital, who would pay the taxes? The public treasury is usually regarded by the Socialist as the small boy regarded the collection plate.

* * * *

OF THE TOTAL of $78,680,000 in taxes paid on incomes last year, the farmers contributed only $1,320,000. At least the farmers cannot complain that taxation has been one of their problems.

* * * *

STUDENTS of municipal finance are asked to consider the following gem of reason from the Toronto Telegram: "In twenty-eight years the city's population has trebled and yet the tax rate is less than double."

* * * *

L. R. STEEL should have declared that his failure was due to the connivance of the big interests to prevent his putting Woolworth and other concerns out of the running. Had he raised the cry that Wall Street has crushed him he would probably have had his shareholders sending flowers to his bedside and offering to double their stock subscriptions.

* * * *

THAT "competition among the branches is all that has saved the people of the West from being throttled by the chartered banks," is the declaration of the Saskatoon Phoenix. Can it be that the bank head offices would throttle the people of the West and that the branches of these same banks have prevented it? Or is this merely more of the loose discussion about the banking system with which the West is being flooded?

* * * *

BECAUSE Sir Henry Thornton has travelled as he has worked since coming to Canada and has thus been able to get a grasp of the immense system of which he is in control, to meet his operating lieutenants, to get acquainted with the shippers and to discuss various transportation problems on the ground, he has been criticised as a "joy rider." But consider the criticism which would have been forthcoming had he sat himself down in an office in Montreal, Ottawa or Toronto and remained there.

The Rain of Law

Legislative Mills Grinding Out a Mass of Legislation Much of Which Operates to the Detriment of Individual Rights and the Discouragement of Capital

The provincial legislatures in Canada have tremendous powers when it comes to interfering with personal property, or rights or with vested interests. The legislators themselves, seem to have recently become aware of this power, but not of its dangers. Where one law grew per year on the statute books of a few years ago, ten and in some cases, twenty grow to-day.

There are those who declare that the legislation of Mexico is in a great measure socialistic. They condemn the Bolsheviki laws of confiscation, but at the same time are blind to the fact that measures just as radical are being placed in large numbers on the statutes of the different provinces.

The big danger to Canada is that much needed capital may be discouraged. Right now speculative funds in the United States are looking to Canada for investment. In this connection it might be pointed out that the powers of the legislatures of the provinces of the Dominion are much wider than those of a state of the Union.

This indiscriminate law making is having its effect on the people of the Dominion. Respect that used to exist for the laws is about gone. Gradually it has come home that anything like a necessary knowledge of the laws being yearly passed was impossible. This gave way to a tendency to ignore all laws.

To-day the question is well being asked, "Whither are we leading?" In some sections it is predicted that there will be a reaction; that some day the laws slate will be wiped clean and we will start all over again; that the day of the one volume book of laws, is in the offing. There are some serious students who declare that we should and will drift back to the common law.

There are real grounds for the feeling that we are being too much "lawed." For instance, it is stated that in five years 62,000 statutes were placed in force in the U. S. Ontario is adding to her statutes at the rate of over 200 a year, while an eye must be kept on Federal enactments also. These yearly total in the hundreds.

Another complication which brought the flood of complicated laws into considerable prominence was war-time revenue measures. These were broad in their application and as complicated as they were broad.

Cheapening the Law

It's only 202 years ago that the first law court was set up in Canada. This was reviewed some time ago by Prof. J. Murray Clark, K. C., in an address to the Annapolis Royal Historical Society of Nova Scotia. In that address he quoted Savigny as saying:

"The law must be regarded as a history of the people. It is not a thing that can be made at will or even has been so made. It is an organic growth by nature of an inward necessity and continues to develop in the same way by the operation of natural forces."

Savigny's opinion would be materially different to-day. In fact, the tendency to too much law has been to cheapen it. To-day the law might well be said to be the will of the individual or group rather than a history of the people, and then the more law we get the less respect we give it.

Back in 1914 William D. Parkinson in an article in "The Atlantic Monthly," wrote critically and at some length on the tendency at bulk or wholesale law making. He nearly exhausted his vocabulary in his rather racy effort. He would be lost to-day if he had to do the job over, being as our various law mills are going at easily double their 1914 speed. He felt that the day of the universal law was a lap or two ahead of times, declaring it to be, "not the kind of law that is written in the hearts of men or upon the doorposts of their houses. There isn't time to teach it to the children or meditate on it. It is printed on a rapid fire printing press, the kindly earth does not slumber in its lap, it fairly wallows in it. The law abiding and law evading citizen lie down together in the confusion of it. He who reads must run if he would escape the deluge of it, and he who runs must read if he would keep up with the changing phases of it."

Mr. Parkinson cites the State of Massachusets as leading the world in volume and plasticity of its statutory output and opines that before a person could read the current law volume a new one would be placed in his hand. He suggests that all the States of the Union need to conserve their natural resources to provide the paper and drive the presses of their legislation mills, and lest in their impotence they should fail to do full justice to the situation, Congress comes to their aid with ponderous volumes of its own. By yielding its claim to be a deliberating body, the National House finds time to hear called off the captions of bills as they pass from its committee to enactment through the pneumatic tube of the government printing office.

Mr. Parkinson goes on to say that officials to-day set up their own jobs by setting up their own law of authorization, but the unofficial, the uninitiated, the plebian citizen must beware. It will not suffice for him to be guided by sound principles of conduct or even fair familiarity with the general law of the land. He cites as a danger of one, in all innocence pursuing the even tenor of his once legalized way, awakening any morning to find himself a law breaker, not by enactments but by inference from some enactment which perhaps his neighbor secured for his own personal benefit.

It is suggested that some day there will be a codification of the statutes. Perhaps about two volumes and an index would result. Even these would hardly represent the will of the people so much as they would the impulse of the people. But again, there would be the danger if history repeats itself, that by the time the index would be ready, a revision of the revision would be issued and play havoc with what the index purposes to elucidate.

A Rain of Law

Asking the question what precipitates such a rain of law and to what sea of chaos will it find its way, the writer goes on to point out that while the legislature may discover laws most of them are made by individuals, He proceeds also to deal with the modern tendency to remove that stabilizing influence, the court's right to interpret the laws. Discretion is taken away from the court and reposed on the unlearned sub-committees. He goes on to say that some pessimist has defined democracy as a system of government based on the economic principle that two thieves will steal less than one. He declares that the U. S. democratic legislative system seems to be based on the political theory that everybody knows more about everything than anybody else. To-day, he says, the legislatives have become bazaars for marketing the product of amateur law makers.

The resultant effect, as he sees it, is that enactments are put through without the proper scrutiny. The responsible citizen is at the mercy of the unresponsible and self-constituted law maker. And even with well informed and well guided organizations, the tendency, as he sees it, is to frame specific legislation instead of in general terms thus making for more numerous and complex measures. It is true that the desire is toward inconsistencies and uncertainties, but the writer doubts if this is usually the result.

Mr. Parkinson likens this tendency as leading to a curious kind of casuistry, verging upon the days of the Rabbinical Law, when human conduct was reduced to a code so petty that one must consider what he carry on his head or attach to his garment or the number of steps he might take if he would make a Sabbath day journey. He points out in this regard that the measure of patriotism is meted out by law, one must study the statutes to know when and how to fly the flag, and then he proceeds to touch upon the hordes of inspectors employed to advise on duties and responsibilities so great are the regulations on business.

Compounding a Felony

Referring to the transfer of the right of interpretation from the courts to the inspector, he points out that frequently we have the curious spectacle of the government and the accused party disputing as to whether the law has been broken or not and the government offering to waive prosecution if the accused will accede to certain demands as to the future conduct of his business. This he suggests, is to the lay mind, not much different from the compounding a felony which used to be regarded as a serious offence.

With laws made in such irresponsible fashion, changed in such haste to make it impossible for the citizen to keep up with them, couched in such terms as to leave the law-evader in quite as dignified position as the law abider, and enforced or not enforced, according as the accused can or cannot make terms with the prosecuting authorities, revenue for law does not thrive. He suggests that the output should be reduced and the quality improved. Otherwise it will cease to be regarded as law. Some check must be found. He wonders what will destroy the babel of print, pointing out that it is less combustible than hollow tiles. He suggests as a hopeful step the shutting down of the legislative mills for a time and await for the real law to precipitate or crystallize out of the turgid mass of guess work law.

He sees signs of a reaction, against the tendency to substitute legislation for intelligence in administration. He believes also that the fact that legislatures are realizing their helplessness will help by reducing the output of their officials. He suggests a legislative office to serve as filter or dam to which all legislative makers shall be submitted. This might do good if accompanied by a change in the atmosphere of the legislative chambers from one of presumption in favor of every unopposed bill to one of presumption against every bill whose sponsors cannot show public necessity therefor.

STRIKE COSTS $13,000,000

Secretary Frank Morrison, of the American Federation of Labor, states that "The contest for 44-hour week in the printing trades has cost $13,000,000, through assessments made upon union printers in closed shops in U. S. A. and Canada, declaring the struggle not ended, and that owing to scarcity of work in closed shops, the assessment of 10 per cent. has been reduced to 3 per cent."

Westerner Supports Sir Clifford Sifton

Editor, THE FINANCIAL POST,
Toronto.

Sir: Reading in THE FINANCIAL POST of March 2nd, I was much interested in a few remarks quoted from a speech made by Sir Clifford Sifton on the 24th of February in Montreal, and it is to be regretted that more of our public men do not display the same courage as Sir Clifford by coming out in the light of day and talking horse sense.

I am in entire agreement with Sir Clifford that there are many people in the European countries he names who would be glad of the opportunity to settle in Canada and who, by their industry and thrift would in a few years be an asset to the country instead of swelling the ranks of our unemployed. These people are not held back by the fetich of Standard of living, etc., and are prepared to fashion their garment to suit the available cloth.

Sir Clifford strikes a sympathetic note when he speaks of the pioneers of Ontario and Quebec—his father and my father and their neighbors. They knew no working hours, other than what was required to finish the job and get started on the next. The agitators and uplifters cry out that the standard of living has been raised. By whom was it raised, by these self-same gentry? No, it was brought up to the present level by the labor and perseverance of those pioneers of fifty years ago, and now the ones who talk most about it are those who know nothing about the earlier struggles and who, even now, contribute nothing towards maintaining our proud position.

Our lands require settlers and our industries skilled workers, but it is idle to talk of such matters so long as legislation and official interference is aimed at the very roots of industrial expansion and progress. Government and municipal ownership has proven so costly and disastrous to this country that capital no longer finds that inducement to invest which is the cry and need of the whole Dominion. In the wide field of human endeavor one finds a spirit of depression and discontent, where before there was courage and confidence. In my opinion this is by reason of one thing, and one thing only —that is grandmotherly legislation. In former periods of stagnation our people were not so dejected for the reason that they knew better days were coming and when it arrived their activity and initiative would not encounter the strangling hand of the state at their throats.

We are bringing up our children in a cradle of molly coddle legislation and there is no hope that it will develop the strong, self-reliant characters that will enable them to successfully face the legacy of debt and chaos, to which they will soon fall heirs. As matters stand the provinces, and for that matter municipalities have usurped the Federal throne in the sphere of property rights and in the final analysis there stands out one word—"extravagance." They talk glibly of taxes, revenue, etc., but why not call a spade a spade and say confiscation?

As for government ventures into fields heretofore considered outside their scope, education and prohibition. There has been so much attention paid to uplifters and self-appointed prophets who contribute nothing to the community at large and who, if their tax burdens were aired, would show up as parasites and loud-mouthed pharisees.

Yours truly,
A. K.

Winnipeg, March 14, 1923.

Personals

JOHN F. ELLIS has been appointed vice-president of the Crown Life Insurance Co. in succession to Mr. Justice Mowatt.

D. B. HANNA, former president of the Canadian National Railway, has recently returned from a trip to Bermuda where he was able for the first time in many years to forget the worries of the transportation world.

W. S. NAYLOR and J. L. SCOTT have been appointed joint city managers at Toronto for the Dominion Life Assurance Co., and T. G. Baker of the Toronto agency has been appointed County Organizer. The same company have appointed Archie Thompson manager of the Kingston district.

W. WADDELL, Jr., a director of Messrs. Broadwath, Ltd., Carlisle, manufacturers of overcoatings, trouserings, scarfs, and travelling rugs, concluded his first visit to the Canadian market last week. He informed THE FINANCIAL POST that this market affords good opportunities for Bradford manufacturers, but that the demand for exceptionally high class woollen and tweeds is limited. He believes it possible to sell certain of his lines in Canada and has appointed local agents. A personal visit is the only way the British manufacturer can accurately size up the possibilities of the Canadian market in the opinion of Mr. Waddell. The Carlisle manufacturer is doing an excellent business in New York, where, he says, there is a good demand for first class imported merchandise at high prices. Mr. Waddell is a member of the Federation of British Industries who will make a collective display of British exhibits at the Canadian National Exhibition, and he paid a visit to the Exhibition grounds accompanied by the British Trade Commissioner. He is also a member of the Carlisle Rotary Club, and attended the district convention at Toronto last week. He will sail from New York for England 31st March.

HERMAN H. PITTS, manufacturer and business man, whose death took place recently in Ottawa, was much before shareholders and investors for several years through his activities in the affairs of the Toronto Street Railway. At several of the shareholders' meetings he strenuously attacked the policy of the directors with regard to the information given out, dividends paid, negotiations for the sale of the franchise, etc. He secured a considerable following and was eventually made a director following which little was heard from him nor was there anything to indicate whether he was more effective on the inside than he had been on the outside in getting his ideas incorporated in the company's policy. Mr. Pitts was president of the People's Gas Supply Co., Ltd., of Ottawa. He was born in New Brunswick and during a period of twenty years owned and edited the New Brunswick Reporter, a weekly newspaper publisher at Fredericton. He was active at that time in provincial politics in the ranks of the Conservative party. He was elected to the New Brunswick legislature from York County in 1892 and sat in the legislature during one of the stormiest periods in New Brunswick politics.

Opportunities In Odd Amount Bonds

There are, at present, good opportunities for picking up odd amount bonds of Canada's various Provinces, municipalities and industries.

Among those listed in our current odd lot list are bonds of the Provinces of Alberta, British Columbia, Manitoba, New Brunswick and Ontario; the Cities of Edmonton, Victoria, Montreal, Toronto and Hamilton; and the following industrial bonds: Howard Smith Paper Mills, Ltd.; Ogilvy Realty Corporation; Pacific Burt Company, Ltd.; St. Maurice Power Company, Ltd., etc.

Copies of Odd Amount List gladly sent on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

UPPER CANADA SECURITIES

Reader, Winchester.—What is your opinion of the Upper Canada Securities Corporation, Toronto? What is the price of their stock now?

Upper Canada Securities is not operating. Its stock is valueless. The company's assets are held to satisfy certain liabilities and it is believed that these will leave little for shareholders.

THREE PREFERRED STOCKS

C. W., Elizabeth.—Please inform me the best two out of the following three preferred stocks for a long pull investment. In which class would you rate them, gilt edge, middle grade or speculative? Steel of Canada, Canadian Car & Foundry and Woods Manufacturing.

Of the preferred stocks that you mention Steel of Canada undoubtedly ranks the highest. It returns at present an income of about 6.90 per cent. per annum which is well assured. Woods Mfg. Co. preferred stock has very attractive possibilities now and dividends are being paid and the interest return is about 8½ per cent. Canada Car & Foundry is more speculative than the other two. The preferred dividend is in arrear since July, 1921. The company has now some good sized orders from the railways, sufficient to keep it running at a much higher level of operations than in the past two years. At present prices of about $75 the stock is quite attractive as a speculative investment.

SOREN MANUFACTURING

G. D., Toronto.—Would like your opinion of the Soren Manufacturing Company.

The offering of 25,000 8% cumulative pref. shares of the Soren Manufacturing Co. at $10 par, with a bonus of 50% com. stock, is for the purpose of supplying further capital for the conduct of the business of the Company. The bulk of the Company's assets, according to reliable information, is represented by land and buildings, plant and machinery, the liabilities being quite heavy in proportion to liquid assets.

A recent statement shows liabilities of about $165,000 and current assets of $75,000. An item of patents, goodwill, etc., of over $498,000 can hardly be regarded as tangible in considering the liquid position of the Company.

The Company has a modern factory for the manufacture of all kinds of sheet metal goods, and appears to be in good standing with the trade but it is evident that additional operating capital is required to expand operations.

The Company was incorporated in Ontario on Dec. 9th, 1922, with an authorized capital of $1,000,000 in $10 shares, half being preferred. The Company took over the business formerly conducted as Soren Bros. Ltd., in its entirety, the reason for obtaining the new charter being that the new style was regarded as a more suitable one for the placing on the market of the issue of stock referred to.

HATTIE GOLD MINE

Reader, Winchester.—What do you think of the Hattie Gold Mine as an investment or speculation?

The Hattie Gold Mine is a mining prospect of promise. Some rich ore has been encountered, and it remains as yet to prove up the size of these ore bodies. Geological conditions are favorable.

NORTHWESTERN LIFE

W. G., Fort William.—Would you be good enough to kindly advise regarding stock of the Northwestern Life Assurance Sompany of Winnipeg. I would like to know if this company is under capable management, i. e. from a shareholder's point of view. What is the present financial condition of this company and what are the shares worth, if any dividends are in sight? Would you consider stock in this company a good investment?

The Northwestern Life Assurance Company with head office in Winnipeg, Man., was organized in 1916 and has enjoyed a steady growth. It is licensed by the provincial department of insurance and on Dec. 31, 1921, it had on deposit with the Manitoba government securities valued at $66,272. It had assets of $862,351 and a surplus to policyholders, including paid-up capital stock of $195,595, with total insurance in force of $7,004,764.

Life insurance stock in Canada has shown a high degree of safety as to principal. The returns depend largely on the amount of business secured on a legitimate basis. The larger companies have enviable dividend records. It is necessary for such companies to build up large reserves before paying dividends. The Northwestern Life has done very well and its stock should in time yield satisfactory returns. One difficulty might be of selling your stock to advantage if at any time you wanted to make a quick sale.

SANDERSON KIRKLAND

L. E., Hamilton.—Would like your opinion of the Sanderson Kirkland Gold Mines.

We have made an effort to get some details of the claims owned by the Sanderson Syndicate in Kirkland Lake. What we have obtained is barren of the detail necessary to guide a person who might be thinking of investing in the syndicate. The only way to get the information is to go over the claims yourself. Or if you have not sufficient knowledge to judge them, get an engineer to look them over for you. The first three claims are on the western border of Teck and are considered well located. We spoke to the owner of the adjoining claims. He thinks well of his own, but could not voice an opinion of the Sanderson group. Even more promising is the location of the eastern holding. It is more than a claim. On the map it looks like three. It is directly over O'Connell Lake. The Kirkland Lake property is separated by one claim on the south; the Kitchener Kirkland by one claim on the west and the Kirkland Combined by one on the east. It is a half claim removed from the north-east corner of the Continental.

We are sorry not to be able to get you further details but, at best, information which we could obtain would not be of great value, unless there has been considerable work done. If not, then there would be only surface showings to go on. These would be of little value. Location would be vastly more important and should be sized up in relation to the position of the claims to the strike of the main mineralized zone of the camp.

RSC INVESTMENT-SERVICE

INVESTMENT ITEMS
Canada's Fundamental Need is An Aggressive Immigration Policy

"Investment Items" is one of the finest reviews of Business and Investment conditions in Canada. It not only gives the facts about these conditions, it explains causes so that you may understand the whys and wherefores.

If you own Victory Bonds or any other investments whatsoever, you ought to read it regularly. Send now and get a copy. No charge.

Royal Securities Corporation, - Limited
244 Bay Street, Toronto

GOLD STOCKS

Reader, Elizabeth.—Do you think any of the gold stocks have reached the investment class?

It is not customary to rank mining securities as strictly in an investment class, because a large part of the payments to the investor must be classed as a return of his invested capital. Even in the case of a well established and highly developed property the dividends that are paid are only partially profits; the remainder represents an annual depletion of the ore reserves and should be treated by the investor as return of his capital.

We have in Canada several gold properties that have such well blocked-out ore reserves that the investor is practically assured of the full return of his capital in time and substantial profits in addition. These properties are the Hollinger, the McIntyre-Porcupine and the Dome. At the present time Hollinger is selling at $13.75 a share, and is paying 13 per cent. dividends annually on its $5 par value. Obviously this income return of just over 5 per cent. is much too small and the present price discounts an increase in the annual dividend rate which is expected shortly. McIntyre has also a $5 par value and is at present selling at about $19. The interest return at present rate of dividend is also low, but the capitalization of the company is very small. Dome Mines stock has a par value of $9 and the present quotations are about $42.50 per share. In July Dome will issue new shares, 4 new for one old, and will place the issue on a dividend basis of $1 per share. There are other well established dividend paying gold stocks. They are more speculative. These are three leaders.

NIGHT HAWK PENINSULAR

Reader, London.—Would you be so kind as to let me know what you think of the Night Hawk Peninsular Mines shares as an investment, or speculation, at their par value of $1 per share.

Night Hawk Peninsular Mines are to be considered a speculation. This issue is now being offered at $1 per share by A. E. Osler and Co., Toronto.

The company is making a legitimate mining effort and the ore bodies opened up give promise of the makings of a large mine. The company is well financed. It controls 1,234 acres, situated about 15 miles directly east of Porcupine. Some of the claims are owned outright, some leased and some are held under working option. The prospectus issued does not state what portion of the issued capital went for the claims.

The company is capitalized at $5,000,000. Osler and Co. disposed of 250,000 shares at 85c, which netted the company 75c. It is now disposing of the second issue, 300,000 shares, at $1 to net the company 90c. There now remains in the treasury 400,000 shares. Prior to selling any stock, however, a large sum of money was spent on the development of the property and it is stated to-day that there is ore blocked out valued at $1,648,000 and on the dump, $40,000. Values obtained have been most encouraging while the development to date indicates the presence of tremendously large ore bodies. Foundations for a mill are already in.

Some of the values obtained follow: No. 1 vein, 80-ft. level, over width of six feet, $$14.10 180-ft. level, over 30-ft. width, $13.75; 300-ft. level, $11.75. Values in No. 2 vein are lower, around $6, but improve with depth. No. 4 vein is believed to be similar to No. 1. No. 5 vein values so far run around $4.

A. R. Globe, former assistant manager of the Hollinger, is in charge of the property.

LYALL CONSTRUCTION

H. H., Winnipeg.—Would like an expression of your opinion regarding the P. Lyall Construction Company and whether you consider it at all probable that dividends on the old basis, viz., 8%, will be resumed in the near future. I might state that I purchased some of this stock about twelve months ago then selling around 43, and have been more or less disappointed in its movements, especially in view of the large contracts which it has secured.

P. Lyall & Sons Construction Company has substantial contracts on its books sufficient to keep it going for four years but, unfortunately, this in itself does not presage a return to the former dividend rate of 8 per cent. Some of the recent contracts handled by this concern turned out to be quite unprofitable. Now it is a question whether or not the contracts that are on the books of the company will turn out to be as profitable as had been first thought. There is a possibility of an increase in wages and as these contracts are entered into on a unit basis that allows for no increase in the return to the construction company, an increase in wages would be a serious factor in cutting profits. Another factor that makes the return of the former dividend rate uncertain is the fact that it costs a great deal of money to finance construction work. The company during the past year sold about $1,250,000 of bonds of the Transportation Building that it had accepted as part payment for the work there and this gave it that amount of liquid capital. But the company must continue to keep its position liquid and for this reason alone might find it desirable to still further defer dividend payments.

You will see, therefore, that it is all a matter of guess work as to whether or not the company will resume the payment of dividends. The stock is selling at about the same price as when you bought it and we would not advise you to sell. Any movement in the stock is likely to be upward rather than downward, although the improvement may be still further delayed. Unfortunately the investing public has not entirely regained the confidence in the stock as an investment that was lost to some extent at the time the security rose to a high level and then dropped almost overnight about one hundred points. This was at the time the company was reported to have had the patent rights for a new type of engine.

FRENCH BONDS

Ottawa Reader—I hold $4,000 French government external loan 7's due 1941. Do you advise selling these in view of the European situation?

We presume your French bonds are the 7½ per cent. externals due 1914 of which $93,750,000 are outstanding, practically all held on this side of the Atlantic. Investors in this as well as other French issues are showing some nervousness now and speculators are taking full advantage of this unrest. Your issue, for instance, sold down to 85 following the Ruhr developments and then jumped about eight points. The present level is about 91. We cannot forecast the outcome of a situation where international political affairs are involved but would advise you to hold rather than sacrifice at 91.

With more normal conditions these bonds should be worth over par and have sold as high as 104.

Prevailing conditions and immediate developments in the French foreign policy undoubtedly will continue, for the present, to be the controlling influence of the market action of French bonds. Therefore, the future trend of these bonds very probably will be governed by the position of the French nation at the outcome of the present situation. From the purely investment standpoint it would seem that the primary consideration should be the ability of France to maintain interest payments and meet sinking fund obligations.

Total annual charges for the interest payments and sinking fund of the French obligations payable in the United States is something less than $33,000,000. At the current rate of exchange of around 6 cents for the franc, this would require approximately 550,000,000 francs. This is less than 3 per cent. of the estimated ordinary receipts of the French Republic for 1923.

France appears to be making better progress toward economic stability than is ordinarily believed.

CANADA FLOUR

F. F., Saskatchewan.—Would like your opinion and advice regarding an investment in Canada Flour Mills preferred stock with bonus of 20% common. Would you consider this a sound investment issue? Would there be likely to be an active market for same, not being a listed stock? Is the common stock likely to produce dividends in the near future?

Canada Flour Mills Co., Ltd., Chatham, operates a grain elevator with a capacity of 150,000 bushels of grain, a milling plant with a daily capacity of 750 barrels and a complete corn meal mill with a production of 400 barrels a day. The last is the largest and best equipped in Canada. The company owns and operates two other elevators in Kent Co., and two others in adjoining counties. Properties, plants and equipments are valued at $607,604.

Standing against this is the following:

Com. stock, Par $10. Auth. $150,000 Issued $150,000.

Pref., Cumu. 8%. Auth. $250,000 Issued $250,000.

Funded debt; Bonds, 6½%, First mortg., cinking fund; Issued $150,000.

You will note that the assets given are greater than the total of all the stock and bond obligations. Current assets when last announced were said to total $169,000. The plants and equipments are protected by insurance to the total of $290,000. There is additional insurance on all inventories.

The security behind the preferred stock seems ample to make it a fairly good investment. The last statement issued shows a surplus available for the common stock as $153,933.

ANALYZING A LIST

A. R., Halifax.—Following is a list of bonds and securities which I hold. Please let me know what changes, if any, you would advise, also if you could recommend some additional investment for three or four thousand dollars. Bonds: Japan $1,948, 4½; West Canada Flour 973 1-3, 6%; Electrical Development 1,000, 5%; Brandram Henderson 1,100, 6%; Dominion Iron, 973 1-3 5%; Price Bros., 1,168, 5%; Canadian Light & Power, 1,000, 5%; Whalen Pulp and Paper, 500, 6%; Maritime Tel. & Telephone 1,000, 7%; N. S. Trams 1,000, 5%. Stocks: B. C. Permanent 20 shares; Mexican Northern com. 10 shares; Porto Rico pref. 20; Tram Power com. 10; Mattagami Pulp debentures $500; Famous Players pfd. 4; Famous Players com. 2; Gunns prf. 5; Riordon pfd. 5; Riordon com. 5.

There are a number of investments on your list that are in very weak condition today and where it is doubtful if you will ever realize the amount you have invested. Riordon preferred and common shares and Mexican Northern Power common stock may be mentioned in this regard. The Gunn's preferred is selling at about 35 or 40 at the present time. The Mattagami Pulp debentures are considerably in arrears as to interest.

Possibly the best thing to do with the weak investments on your list is to hold them and await developments. If you were to attempt to market these securities at the present time you would get little or nothing for some of them; in any event you would have to accept a sacrifice price. While the future is very speculative for some of them, the probability is that many of these weaker securities will eventually improve. When this improvement materializes and until it is possible for you to sell without taking too much of a loss, we would advise you to do so and put your money into a better type of security. You have only one government bond on your list and that is the bond of the Imperial Government of Japan, which, however, is rated very highly and may be considered as an excellent investment. With the funds you have available now, you should purchase some good provincial and municipal securities and as you liquidate your present holdings of speculative securities, you might put these funds also into government and municipal bonds. It will not be necessary for you to sell such excellent corporation bonds as Western Canada Flour, Electrical Development corporation, Dominion Iron and Steel, Price Bros., Maritime Telephone and Telegraph Co., and the Nova Scotia Tramways and Power Co., but these are not a sufficient reserve for you. Only the best securities are good enough for an elderly investor.

Exchequer statement of conditions to March 10 show indications of British budget surplus of £102,000,000 in fiscal year ending March 31, as result of large reductions in expenditures and increases in revenue.

How much higher will prices go?

The probable influences of precedent and market conditions on commodities and securities are carefully outlined in the new Greenshields Review.

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B.C. WANTS RATE BELOW THE REAL COST TO COAST

(Continued from Page 1)

on the Canadian National and Canadian Pacific between points in British Columbia, are much lower than those charged by the Pacific Great Eastern, which belongs to the province. This rather stultifies the province in its present attitude. It is also true that in the East the charges are very slightly higher than in British Columbia. For example, to ship 100 lbs. of export wheat from Windsor to Montreal, 568 miles, costs 23½ cents. From Morely, Alberta, to Vancouver, 600 miles, the charge is 24 cents. That is indicative of many instances on a fair comparative basis. In this connection, moreover, it is worth remembering that British Columbi with 11.1 per cent. of the railway mileage of the Dominion, originates but 6.5 per cent. of the freight tonnage.

Would Hit Railways

The underlying aim of British Columbia would appear to be more or less obvious. If rates to the Pacific coast were the same as to the Atlantic coast, the contiguity of the province to the Panama Canal would enable her to command the outflow of export grain. That would be an advantage to Vancouver and Victoria, but it would cripple the Canadian Pacific and add very materially to the annual loss on the Canadian National. That loss would fall almost entirely on eastern provinces, and it would grow out of the inexorable fact that the cost of hauling to the Pacific coast would be far above the revenues.

Politics Intruding

The real issue, however, so far as the country at large is concerned, is the supremacy of the Railway Commission. If the resolutions now before parliament should be adopted, the effect would be to transfer rate making from a judicial tribunal to a political body. That would be a grave and revolutionary matter. British Columbia has exhausted her full rights of appeal, and now falls back on the very body which in 1903 relegated all regulatory functions to a court specially erected for that purpose. Here is real danger, and that danger is increased by the possibility of a combination with the Progressives, who have declared in favor of a general reduction of freight tolls.

The country at large appears not to have as yet realized the meaning of the movement which has been begun in Parliament, and little has therefore appeared about it in the press. It is, nevertheless, of tremendous and vital significance. It goes to the bottom of our judicial system in respect of rates regulation, while ignoring the merits of the case as adjudicated upon by the Railway Commission. It is not a local matter. It is a national matter.

CURRENT OPINIONS

LONDON'S LEADERSHIP

Canadian Gazette, London

A writer in the Sunday Express, alluding to the impending flotation on the London market of a loan to Austria, grows unduly jubilant. "London has resumed," he states, "her pre-war leadership in international financing." While this is no doubt true so far as Continental loans are concerned, it is only partly so. She is still unable to compete with New York in respect of Canadian borrowing. A case in point is furnished by the news that a syndicate of New York, Canadian and Chicago bankers and bond houses is offering to the public $13,000,000 of City of Montreal 31-year 5 per cent. refunding gold bonds at 97. In competing with New York for loans of this nature London is hampered by several obstacles. There is the Imperial tax of 1 per cent., the disadvantage of about 3 per cent. in the sterling-dollar exchange rate, and the difference of about 1 per cent. between the New York and Montreal rates for the dollar. The obstacle of the exchange rates is one which may be removed in time as the pound sterling appreciates, but the stamp duty on bonds is an impediment to the London market which can only be removed by Imperial legislation; and it is to be hoped that the earliest opportunity will be taken to relieve the London market of this incubus, which in the case of external bonds amounts to no less than 2 per cent.—a very serious burden upon British finance houses in competition with Americans.

HUN COMPETITION

Kingston Standard

Are Canadians awake to the competition which the Huns are putting up not only in this country, but all over the world? It is only necessary for anyone to glance through the Commercial Intelligence Journal published by the Department of Trade and Commerce to see how this is growing.

THE FINANCIAL POST draws attention to a concrete instance of this by pointing out that it was thought the loss of potash mines in Alsace would kill Germany as a great producer, but in 1922 the German potash production exceeded the pre-war record by 183,000 tons.

The paper goes on to say: "There are two deductions for Canadians in this: First, we have no chance of developing potash production in this country to compete; and, second, that German workmen work to full capacity. They lay 100 bricks while Canadians lay 25 and we Canadians, producers and workmen, will have to give and do the best that is in us or we can't compete with Germany and other European countries when things become more normal."

This is wise warning. The Huns are fast recovering from the effects of the war in spite of all their pleas to the contrary, and they are hard at work endeavoring to regain their former world-wide trade. That they are active in Canada has been proved by figures which have been published recently. Habituated to long hours of work at low wages the Huns are competitors which Canadians dare not, and must not ignore.

The Character of the House

In purchasing bonds, investors are usually dependent solely upon the facts presented to them by the investment banker.

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NEWS AND VIEWS ABOUT BONDS

BONDS ARE FIRM THOUGH DEMAND HAS SLACKENED

But Prices of Canadian Securities in New York Lower

In spite of the slowing up of the demand for bonds during the week, prices held to the high levels of last week. There is evidence that the larger institutions and many private investors are turning their attention to mortgages where a rate of at least seven per cent. may still be obtained.

A number of new issues appeared on the market but none were of sufficient size to test its strength. As the lists of the dealers were somewhat bare, the new issues have not been sufficient to catch up with the demand.

A disturbing factor is the weakness shown in Canadian bonds on the New York market, especially since no issues of much importance have gone to that market during the past month. Some dealers feel that a slight reaction to encourage buying in this market may be expected. However, any definite move in either direction is unlikely to develop until some issue of considerable size is brought out, when the action of investors toward it will serve as a barometer.

MONTREAL SCHOOLS

The Protestant Board of School Commissioners, Montreal, has awarded a syndicate composed of the United Financial Corporation, Ltd., R. C. Matthews and Co. and R. A. Daly and Co., of an issue of $1,500,000 of 5 per cent. gold bonds of the commission. The proceeds of this issue are to be employed exclusively for the repayment of debts amounting to $326,442, now encumbering the immovable property of the commission, and for the construction and enlargement of school houses. Six tenders were submitted for the purchases of the bond. The sale price was 95.83 and accrued interest, equal to a cost basis of 5.28 per cent. The bonds are dated January 1, 1922, and are of thirty-year issue. The bids were:—

United Financial Corpn., Ltd., R. C. Matthews, R. A. Daly, 95.83.

McLeod, Young, Weir & Co., Gairdner, Clarke and Nesbitt, Thomson & Co., 95.177.

Royal Securities Corpn., C. H. Burgess & Co., MacNeill, Graham & Co., 95.217.

National City Co., A. E. Jarvis Co., Greenshields & Co., 95.07.

Dominion Securities, Harris Forbes & Co., 95.17

Wood Gundy & Co., A. E. Ames & Co.; Hanson Bros., 95.133.

TRENTON PAVING ISSUE

Town of Trenton bonds amounting to $306,359 bearing interest at 5½ per cent. and maturing in 20 annual instalments, have been awarded to A. E. Ames and Company at a price of 99.78. The proceeds of the issue will be used for the paving of streets.

A. E. Ames & Co.	99.78
MacNeill Graham & Co.,	99.37
McLeod, Young, Weir & Co.	98.87
Gairdner, Clarke & Co.	98.39

COBOURG SELLS ISSUE

Housser, Wood and Company in joint account with Aird, McLeod and Company, were the successful tenderers for an issue of $181,000 5½ per cent., 20 instalment debentures of the town of Cobourg. At the purchase price of 100.713, the money is costing the municipality about 5.41 per cent.

The bids were:—

Housser, Wood & Aird, McLeod	100.713
Nesbitt, Thomson & Co.	100.56
Bain Snowball & Co.	100.536
Stewart McNair, Reid Co.	100.535
R. A. Daly & Co.	100.49
National City Co.	100.47
McNeill Graham & Co.	100.37
A. E. Ames & Co.	100.36
R. C. Matthews & Co., and Dominion Bank	100.17
McLeod, Young, Weir & Co.	100.17
Wood, Gundy	100.116
C. H. Burgess & Co.	99.91
Gairdner, Clarke & Co.	99.775
A. Jarvis & Co.	99.76
Murray & Co.	99.62
Dominion Securities	99.538
Mackay & Mackay	95.25

WESTON 6 PER CENTS

Town of Weston has awarded an issue of $120,000 of 6 per cent., 30 instalment bonds to Dyment, Anderson and Co. At the selling price of 106.28, the money is costing the municipality approximately 5.44 per cent.

The tenders:

Dyment, Anderson & Co.	106.28
Bell, Gouinlock	106.11
Bird, Harris	105.90
C. H. Burgess & Co.	105.62
Municipal Bankers	105.432
Wood, Gundy	105.38
R. C. Matthews & Co.	105.113
MacNeill, Graham	105.111
Dominion Securities Corpn.	104.68
A. E. Ames & Co.	103.70
McLeod, Young, Weir	103.19
Bain, Snowball	102.70
Murray & Co.	102.14
Gairdner, Clarke & Co.	101.559

SARNIA ISSUE

R. C. Matthews and Company have been awarded an issue of city of Sarnia bonds to the amount of $73,672, bearing interest at 5½ and 6 per cent. and maturing in 5 and 15 annual instalments. At the purchase price of 100.383 the money is costing the municipality approximately 5.66 per cent. The tenders were:

R. C. Mathews & Co.	100.383
C. H. Burgess	100.24
MacNeill, Graham & Co.	100.23
Dyment, Anderson & Co.	100.21
Housser, Wood & Co.	100.14
Wood, Gundy & Co.	100.09
McLeod, Young, Weir & Co.	100.05
Gairdner, Clarke & Co.	100.039
A. E. Ames & Co.	99.88
Dominion Securities	99.70
Municipal Bankers	99.62

NEW TORONTO SALE

An issue of the town of New Toronto bonds amounting to $58,000 bearing interest at 5½ per cent. and repayable in 15 and 20 instalments, has been awarded to Bain, Snowball and Co. at 98.456. The bids were:—

Bain, Snowball & Co.	98.456
C. H. Burgess & Co.	97.52
Murray & Co.	97.42
Wood, Gundy & Co.	97.38

MERRITTON SELLS BONDS

An issue of town of Merritton bonds amounting to $50,000, bearing interest at 6 per cent. and repayable in 20 annual instalments, has been awarded to Dyment, Anderson and Co. at 102.11. The bids were:—

Dyment, Anderson & Co.	102.11
Harris, Forbes & Co.	101.77
Wood, Gundy	101.58
Bell, Gouinlock & Co.	100.65

SHERBROOKE BONDS

The city of Sherbrooke sold by private sale to Gairdner, Clarke and Company, $50,000, 3½ per cent. bonds due November 1, 1940, payable Canada only, and $125,000, 5 per cent. bonds due November 1, 1943, payable in New York. The city secured its money on a 5.28 per cent. basis. These bonds have been held in the city's sinking fund since the bids on it were rejected some time ago.

BOND SALES OVER COUNTER RAISES AN INTERESTING POINT

Is St. Thomas Losing Money by Such Methods?

Some criticism of the policy adopted by the City of St. Thomas in selling its bonds over the winter has arisen. Recently an issue of $160,000 was offered locally to provide payment for asphalt paving work done during the past year. The city treasurer reported most of the bonds sold within a few days.

The effort to save money for the city is commendable, but its success is open to question. It is understood that the bonds were sold at par, whereas issues of cities of similar proportions and bearing the same rate of interest were sold by public tender at a premium, materially reducing the actual cost of the money to the municipality. Another danger involved is that of neglecting to secure a legal opinion on the bonds from a competent lawyer, skilled in this work. A great many points may be overlooked by one who has not had much experience in this field and serious difficulties may arise later. A case in point is that of a city in Eastern Canada which sold its bonds over the counter, relying on the legal opinion of the city solicitor. Some time later a large bond house was negotiating the purchase of a block of these bonds for a client. The client refused to accept the bonds without a satisfactory legal opinion, independent of that of the city's legal department. An independent investigation of the conditions of the issue revealed the fact that bonds had been issued for $250,000 in excess of that allowed by the by-laws. Much difficulty was experienced in adjusting the mistake and the owner of the bonds was unable to effect a sale to the bond firm in question.

Such discrepancies may result in the destruction of a prime requisite in municipal bonds—reasonable salability. Investors in bonds sold in this way should exercise exceptional care to guard themselves against irregularities in the issuing of the bonds.

EDMONTON PLANS A FURTHER LOAN

Issue of $412,000 to be Made if Ratepayers Approve the Expenditures

From Our Own Correspondent.

EDMONTON.—The proceeds of a debenture issue of $788,900 recently disposed of by the city of Edmonton, will be used for the program of capital expenditures approved by the city council and the repayment of some short term debentures maturing in September. A block of $37,500 of the total amount is for the Public Library Board.

Another issue of about $412,000 will be made by the city later on if certain new expenditures are approved by the burgesses. Among these will be extensions to the municipal telephone plant and an improvement scheme on one of the city streets, both of which have already been voted down in previous by-law votes. They are regarded as so strictly necessary, however that they are to be re-submitted.

HARD TO COLLECT TAX REVENUE IN WEST PROVINCES

Arrears Responsible for the Deficit in Saskatchewan

From Our Own Correspondent.

REGINA.—Inability to collect money owing from taxpayers was the only reason the Saskatchewan government shows a deficit of $52,599 for the last fiscal period ending April 30, 1922, according to the budget speech of Hon. C. A. Dunning, just brought down in the legislature. On April 30, 1922, there was overdue and outstanding, $1,514,000 of a total levy of approximately $2,000,000. On the same date, there was due to the province from all sources, the sum of $4,332,741.

It is noteworthy that extraordinary expenses of upwards of $722,000—more than thirteen times the amount of the deficit—occurred during the period. In this category is included the general provincial election, $192,000; grasshopper menace, $200,000; and loans to schools in order to enable rural districts to carry on with education, $111,000.

The premier, dealing with the agricultural statistics of the province, stated that while there was nearly a million acres shrinkage in the area sown to wheat in 1922, the production was 251,000,000 bushels last year as compared with 201,000,000 bushels in 1921. The yield per acre was 20.25 in 1922 as compared with 14.8 in 1921. The estimated net return from wheat sales also increased, farmers securing an average of 85 cents a bushel instead of 75 cents in the year 1921.

In spite of the splendid return from wheat in 1922, the total yield and quality of oats made less favorable showings in 1922 than 1921. There was also a reduction in flax and rye acreages. The total value of livestock in the province at December 31, 1922, was $10,735,000 less than at the end of 1921, accounted for not by decrease in numbers or quality of animals, but in reduction of prices. The only classification in which there was a numerical decline was in horses and mules where there was a loss of 26,980 head. Cattle, sheep and swine increased in numbers.

Estimated total value of grains produced in Saskatchewan in 1922 is $287,270,600 as compared with $210,732,000 in 1921. The estimated value of all farm products at the end of 1922 was $505,318,000, a gain of approximately $60,000,000 from the end-of-the-year figures for 1921.

In presenting the budget, Mr. Dunning referred to the fact that in times when taxpayers find it hardest to meet their obligations, the calls upon governments for public expenditures and for helpful grants of money are at the peak.

MUCH CORPORATION FINANCING EXPECTED

Bond Issues for Development Are Being Arranged by a Number of Concerns

From Our Own Correspondent.

MONTREAL.—An excellent bond market has been developing during the past few months and in consequence a number of new issues of corporation bonds may be expected during the next few weeks. There are several important issues now being negotiated and it is possible that quite as many new bonds will come on the market as during April and May of last year when Canada experienced the briskest bond market for some years past.

There is a good deal of money available for investment and new issues should receive a favorable reception. However, it is felt that the offering prices will have to be right. There have been some evidences of possible reaction in the bond market in the United States and this undoubtedly would reflect itself in time, in Canadian prices. While it is a time for cautious buying, many of the new issues will offer opportunities that will make them easily marketed.

Last year practically all of the loans arranged to acquire the purpose of providing working capital for the corporations that did the borrowing, but a larger percentage this year will be to provide funds for extension and new developments. Particularly in the field of water power developments are important enterprises under way that call for such new capital.

BOND MOVEMENTS OF THE WEEK

Week Ending March 20

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	1922 Low	Range 1923 High	1923 Low	Latest Price Ask	Latest Price Bid	Week High	End Low
Asbestos	5	1942	5.98	100	76	89¾	87½	—	89	89¾	88½
Can. Cement	6	1929	5.78	100¼	94	101¼	100	101¼	101	101¼	—
Cons. Rubber	6	1946	5.80	100¾	88	102¼	100¼	—	102½	102½	102
Cd. Rapids	5	1953	5.30	97½	93	96½	95½	—	96½	95½	—
Carr. Factories	6	1940	6.87	92	92	91	91	91	—	91	—
Dom. Canners	6	1940	6.12	97	93	98⅝	95¾	—	97	98⅝	—
Dominion Iron	5	1929	6.30	94	82½	93¾	92¾	94	92	92¾	—
Montreal, May	6	1923	6.00	104	99	101	100	—	101	100	—
Do., Sept.	6	1923	6.25	102	99	100	99¾	—	99½	99¾	—
Montreal Trams	5	1941	5.68	93¼	87¼	92	89¼	93	92⅛	92	—
Quebec Rly.	5	1939	7.65	87¼	63¼	75	69	—	74	75	74
Wayagamack	6	1951	7.24	88¾	71¾	85	80¼	84¾	—	85	84¾
War Loan	5	1925	4.75	96.30	96.10	100.80	99.10	—	100.70	100.75	100.55
Do.	5	1931	4.82	99.90	96.25	101.80	99.80	101.50	101.30	101.40	101.05
Do.	5	1937	4.70	101.50	99.50	103.30	101.25	103.30	103.15	103.15	103.00
Victory Loan	5½	1923	4.93	100.70	98.75	100.95	100.25	100.80	100.55	100.85	100.65
Do.	5½	1924	5.08	100.75	98.00	101.40	100.25	101.10	100.80	101.10	100.80
Do.	5½	1927	4.76	102.70	99.75	103.25	102.35	—	103.25	103.25	103.00
Do.	5½	1933	4.77	104.35	101.25	106.70	104.40	—	106.20	106.25	106.00
Do.	5½	1934	5.18	101.45	98.80	103.90	101.30	102.90	102.80	103.00	102.80
Do.	5½	1937	4.73	106.25	103.00	108.40	106.50	108.40	108.15	108.40	108.00
Do., Renewal	5½	1927	5.00	101.10	99.40	102.80	101.00	102.70	102.40	102.50	102.15
Do., Renewal	5½	1932	5.18	101.10	99.70	103.00	101.00	102.70	102.50	102.40	102.20

BOND EXCHANGE DELAYED

The exchange of first mortgage bonds of Ames Holden Tire Company, Limited, into 7% cumulative income bonds of Ames Holden Tire & Rubber Company, Limited, has been delayed by technical difficulties in connection with the engraving of the certificates. The new scrip, however, should be ready in the course of the current month.

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DULUTH-SUPERIOR

Gross passenger revenue of the Duluth-Superior Traction Company for the second week in March was $37,288, which is an increase of $2,602 over the same period last year. For the year to date, gross passenger revenue is shown at $385,521, an increase of $42,410 or 12.4 per cent. over the corresponding period last year.

CIVIC AND PROVINCIAL FINANCE

RATE OF TAXATION FACTOR IN CREDIT OF MUNICIPALITY

Expenditures Must be Made on Sound Basis to be Justified

Arguing that if the advantages of a municipality as a community desirable as a place in which to earn a living and bring up a family are destroyed or diminished by taxation or otherwise, then the value of all investments made by the city are destroyed or diminished, the Toronto Bureau of Municipal Research points out that all taxes must be paid out of income and that if they leave too little for other necessary or desirable things the community in the long run is bound to suffer. The results at first may be imperceptible. A natural inertia may delay the time when tendencies become evident as actualities; but when the decline begins to occur, to arrest it is difficult. It is easier to stay sound than to become sound after unsoundness has appeared.

From a financial standpoint a municipality is a unit. Unsound or extravagant current financing reacts on capital financing. Injudicious or extravagant capital investments react on current expenditures. The success of one department of the city's activities contributes to the success of all, and the weakness of one contributes to the weakness of all. A city's credit is not distributed among several watertight compartments.

How it Works Out

The following is taken from the bureau's bulletin as showing how business principles apply in the case of municipal finance:

A number of citizens take the necessary steps to start a municipality. To initiate the basal service to be carried by taxation, $100,000 is borrowed. This furnishes the necessary school building, streets, sidewalks, police and fire equipment. Taxation is low and population is attracted. $100,000 is borrowed for water-works, another $100,000 for light, another $100,000 for housing. The charges on the first $100,000 are carried by the taxes, those of the second and third $100,000 by rates, and those of the fourth by monthly payments. Is the debt $100,000 or $400,000? Is the basis of credit behind the first $100,000 essentially different from that behind the $300,000 whose charges are not to be borne out of taxation?

Let us suppose that the cost of operating the basal services increases to such an extent that the per capita taxation becomes relatively much larger than other neighboring municipalities. What happens? Industries tend to move to the other centres. Unemployment increases. Population remains stationary or diminishes. Per capita costs go up. Houses lie vacant. Public utility services lose customers. Deficits on ordinary currant account accumulate. Deficits on the operation of the three public utilities appear and increase the per capita tax burden. The municipality finds it more difficult to borrow even at higher interest rates. The current costs of operating the ordinary civic departments again go up, the population diminishes or its ability to pay declines and the process goes on in a vicious circle. Such a history is rare in Canadian municipalities. It is not unknown. It represents an extreme case. But extreme cases illustrate universal tendencies.

In almost every case where such a history represents the facts, it has not been due to dishonesty or malfeasance in office. It has been due to inefficiency and still more to basing expenditure on wants, fancied or real, rather than on needs, actual and basal.

This parallel is drawn not to condemn all capital expenditures, not to oppose adequate investments to meet healthy expansion, not to attack rational taxation for the proved needs of basal services, but to emphasize the following facts:

1. The value in exchange of all municipal debentures depends, in the last analysis, on the ability of citizens to pay for services.
2. Their ability to pay for services depends on their opportunities for lucrative employment.
3. Lucrative employment depends on the prosperity and number of the businesses and industries carried on in the community.
4. The prosperity of business and industry depends on their ability to compete in selling goods or services in local, provincial, national or world markets.
5. Their ability to compete depends, among other things and increasingly so, on relatively moderate local taxation.
6. Therefore, moderate municipal taxation is a prime factor in determining the number of taxpayers in a community and their aggregate ability to pay for services, and also
7. Therefore, moderate municipal taxation is a prime factor in determining the soundness of a city's investments in special services not supported out of taxation.

$50,000 Bonds Issued on Apartment House

From Our Own Correspondent.

MONTREAL.—The investment house of Versailles, Vidricaire and Boulais has purchased a small bond issue of La Compagnie des Immeubles de Rapport. This company is building an apartment house in Montreal. The issue is for $50,000 of 6½ per cent. bonds payable in instalments of from three to fifteen years.

Regina Ratepayers Protest Exemptions

From Our Own Correspondent.

REGINA.—Ratepayers' organizations of Regina are doing considerable agitating against the large quantity of property exempt from taxation within the city limits. Of an aggregate assessment of about $58,000,000, exemptions are granted for over $14,000,000, including educational and religious institutions, corporate interests and government property. The inclusion of this property under taxable categories would, it is pointed out, reduce the rate of taxation approximately one quarter.

Four associations in the city are now considering making a concerted demand to municipal authorities to cancel all but a few of the existing exemptions.

Hochelaga Cement Bond Issue in the Autumn

From Our Own Correspondent.

MONTREAL.—The Hochelaga Cement Co. has been taken over by a larger organization called the National Cement Co., which is going ahead with the construction of the plant in Montreal East for a capacity production of 3,000 barrels of cement daily. Boston people have purchased a large part of the million dollars of 8 per cent. preferred stock and Montreal houses have underwritten an issue of $1,200,000 of 7 per cent. bonds.

The bonds will not be offered until late fall, however, when it is expected that the plant will be about half finished. They will then be offered for sale by the Credit Canada.

The authorized amount of preferred stock is $1,500,000, of which $300,000 will remain in the treasury. The authorized bond issue is also $1,500,000 but only $1,200,000 will be at first issued. The plant it is expected will be complete about February 1, 1924. Among the directors are Hon. H. B. Rainville, Eugene Ouimet, president and vice-president of Credit Canada respectively, and Joseph Versailles, until recently head of Versailles, Vidricaire & Boulais.

Bonds Offered of New Hotel for Sydney, N.S.

From Our Own Correspondent.

MONTREAL.—A maritime bond house, the Standard Bond Corporation, at Halifax, is offering a 7 per cent. twenty year bond of a new hotel to be erected at Sydney, Nova Scotia, and to be called the New Sydney Limited. The total amount of the issue is $400,000, and the present offering is for $100,000.

The hotel will be erected on the site of the old Sydney Hotel which was destroyed by fire in 1919. A strong local board of directors has been appointed.

A. Jarvis & Co. Opening an Office in London

From Our Own Correspondent.

LONDON.—Aemilius Jarvis & Co. will open an office in the Royal Bank, making this their centre for Western Ontario operations. The London office will be under the joint management of Major O. H. Mabee, who has been connected with the Toronto office, and Captain D. B. Weldon, who came to London some months ago to open the London branch of the Johnson, Ward Co. Mr. Weldon has since that time been in charge of the office here.

Capt. Weldon will be succeeded in the management of the office of Johnson & Ward by G. E. Harley, who has been transferred from the Moncton office of the same company.

WILL SELL SECURITIES

Manitoba will sell $16,000,000 securities, municipal, school, drainage and Winnipeg bonds, held in the provincial treasury. This will reduce the gross debt of the province to $50,000,000 and will also wipe out the provincial deficit of $2,500,000.

TAX RATES

Thorold	42.5	mills
Toronto	30.8	mills
Sault Ste. Marie	37.	mills
Oshawa	43.	mills
London	34.7	mills
Strathroy	45.	mills
Kamloops	43.	mills
West Vancouver	43.	mills

Tenders and By-Laws

TENDERS WANTED

March 25, Township of Teck.—$50,000, 6%, 15-instal. debentures. Malcolm Campbell, Treasurer, Twp. of Teck, Kirkland Lake.

March 29, Guelph.—$509,254, 5, 5½ and 6%, 10, 14, 20 and 30-year debentures. H. J. B. Leadley, City Clerk. (See announcement of page 16).

March 25, Pointe aux Trembles School Com.—$39,300, 6%, 10-year bonds.

April 7, Toronto Twp.—$40,000, 5½%, 30-year, school debentures. K. R. Kennedy, Clerk, Dixie.

BY-LAWS TO BE VOTED ON

March 29, Lethbridge. — $155,000, 40-instal. debentures.

Mar. 29, County of Carleton. — $205,000, 5½%, 5 and 20 instal. debentures. Henry R. Washington, County Treasurer. (See announcement on Page 16.)

HOUSECLEANING OF ALBERTA'S LAWS IS BADLY NEEDED

Advanced as the Real Cause of Lack of Mortgage Funds

Interest rates are higher, mortgage funds are growing scarcer in Alberta. Some people are wondering why. Some explanations have been given from time to time, such as climatic conditions, poor crops, unscrupulous grain and cattle buyers. William Toole, Calgary manager of the Canada Life, has lifted the veil on this. He suggests that it is time to drop these kind of "red herrings" and carry out a considerable housecleaning of the laws of the province. He suggests that the present time is opportune to start, when the legislature is in session.

It would seem that the people of the province of Alberta are coming around to recognizing the growing seriousness of their position. The Calgary Herald, in discussing the matter, declares that an effort should be made to restore confidence of capital, pointing out that Alberta is now and will continue to be, largely dependent on outside capital for development.

Mr. Toole stressed the point that the real cause of the situation should be brought to the fore. He says:

"If we are sincere in our credit-funding, bank-facilitating and lower-rate-of-interest efforts to help the citizens of Alberta, urban and rural, mechanic and agrarian, we should, first of all, be frank with them and explain, the real cause of the higher rates of interest and insufficiency of capital. It is not the Drought Area Relief Act which is causing the tightness of money and high rate of interest and much reduced advances on some of our most excellent farm securities. It is lack of confidence in the proper protection of capital and the wonder and fear of what will be the next creation to take priority to a first mortgage. There is altogether too much blaming of climatic and other conditions for a shortage of capital by those who must know better, but on account of their attitude, for some years past, of favoring legislation, which when the test came, has proved to be our very undoing instead of to our benefit, they keep on enlarging the "red herring" by statements indicating that climatic conditions and poor crops, unscrupulous grain and cattle buyers and money-lenders are the main causes for our difficulties."

Mr. Toole makes it plain that the situation is going to grow steadily worse in the province if some steps are not taken to better conditions. He says if the taxpayer is not soon enlightened, he will find himself crushed beyond recovery and follows with the following interesting view:

"If Alberta is right the rest of the world is surely wrong, and if we should happen to be the one out of step, why not fall in without delay? It would be a real eye-opener to the vast majority of our farmers to hear, from their own legislature, how far removed from a 'first mortgage' as recognized in other parts of the world is an Alberta 'first mortgage,' and when they hear that, and understand it from their own member, they will then begin to appreciate why no private money is being advanced in Alberta farm mortgages, and how fortunate they are, in the best of districts where crop failures are unknown, to get any loans at all."

PRAIRIE GOVERNMENTS REALIZING DANGERS OF PATERNALISTIC ACTS

(Continued from Page 1)

should be repealed and that should there be substituted therefore such legislation as will fairly protect the debtor and his creditor," was the gist of the Calgary recommendation in an effort to avoid any legislation savoring of moratorium or tending to interfere with or discourage the free flow of capital for investment into the province.

In Manitoba, completely in accord with Premier Bracken's determination to put all government departments upon a self-paying basis, Hon. Neil Cameron, Minister of Agriculture, announces the abandonment of the livestock financing "aids." The previously government-sponsored schemes which are to be eliminated are—The Stockers and Feeders Act, the Conservation of Heifers Act, and the Livestock Purchase and Sales Act. Under the schemes cattle were turned over to settlers on credit for finishing purposes, and at August 31, 1922, there was a total of $93,399 in arrears on the three activities. These arrears were made up as follows: stockers and feeders, $14,670; conservation of heifers, $38,574.46; livestock purchase and sales, $40,155.05. The government expects that these amounts will be cleared from the books in time, although in many cases the owners have reported all animals sold, and, in some instances, traces of the owners are not obtainable.

The Calgary debt-funding conference decision is chiefly significant as strengthening Premier Greenfield's hands, for like Premier Bracken of Manitoba, it is believed the Alberta premier is earnest in a desire to make the agrarian industry once again self-reliant.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
March 15	Trenton	A. E. Ames & Co.	5½%	20-ins.	$360.359	99.78	
March 15	Sarnia	R. C. Matthews & Co.	5½ & 6%	5 & 15-ins.	73,672	100.383	5.66
March 16	Montreal Protestant School	United Financial Corp. Syndicate	5 %	30-year	1,500,000	95.83	5.28
March 19	New Toronto	Bain, Snowball & Co.	5½%	15 & 20-ins.	58,000	98.456	
March 19	Weston	Dyment, Anderson & Co.	6 %	30-year	120,000	106.28	
March 15	Cobourg	Housser, Wood, & Aird, McLeod	5½%	20-ins.	181,000	100.713	5.41
March 15	Merritton	Dyment, Anderson & Co.	6 %	20-ins.	50,000	102.11	
March 20	Sherbrooke	Gairdner, Clarke & Co.	3½%	18-year	50,000		5.28
March 20	Sherbrooke	Gairdner, Clarke & Co.	5 %	21-year	125,000		5.28

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Our "Square Deal" Contract will appeal to you with compelling force—one contract only—no middlemen—new and saleable "Coupon Savings" Policies. For particulars of the "Square Deal" Contract and available Territory, communicate with the Managing Director.

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INSURANCE FOR BUYER AND SELLER

INSURANCE RATES ON CHURCHES ARE TO BE INCREASED

Losses Were Heavy in Montreal Fire, When Million Dollar Hospital Burned

From Our Own Correspondent.

MONTREAL.—Insurance companies have paid out over $7,000,000 for losses on religious institutions during the past year and are planning an increase in the fire insurance rates on such risks. The losses have been largely incurred in the burning of Roman Catholic institutions which has caused much discussion in daily newspapers of Klu Klux Klan activities. Insurance men say that most of the statements charging the night-riding Klan with the devastation, are greatly exaggerated; investigation of some cases where threatening letters were alleged to have been received in advance of the fires, has indicated that such letters were merely fabrications of the sensational press. Vastly more damage has been caused as a result of carelessness, defective wiring and similar causes, than through the action of any group of fire bugs.

Discussion on insurance rates on religious institutions became more acute this week following the burning at the week end of the Home for Incurables, a religious-owned and conducted hospital in this city. The property was highly valuable; the loss on buildings and furnishings is estimated as between $800,000 and $1,000,000, yet the total amount of insurance carried was only $180,000. The explanation given by the authorities of the hospital is that the burden of meeting payments on the mortgage was so severe that further insurance could not be afforded.

Seven Companies Lose $180,000

As a result of the fire seven companies have written "total loss" after their policies on this structure. THE FINANCIAL POST is able to furnish this list of companies interested in the protection on the Home for Incurables:

Royal Insurance	$48,000
Continental Insurance	35,000
Globe & Rutgers	30,000
North American	22,000
Assurance de l'Eveche	20,000
North British & Merc.	15,000
Mount Royal	10,000

One insurance man stated this week that he only knew of one church that was fully insured and added modestly that he and other insurance men were on the board of management. Churches are notorious for their lack of attention to insurance, a situation which is the more remarkable when it is considered that in most cases the men in charge of the affairs of churches and affiliated institutions are men who are high up in their local business circles and have their own personal and business premises insured to the sky-lights.

Losses Usually High

Insurance rates on churches have always been rather high. One reason has been that such institutions usually carry such a small percentage of protection that even a small fire involves a complete loss on the policy. Churches, too, have not been built with much attention to fire-proof features. The average old fashioned church has a large open space between the ceiling and the roof which makes it almost impossible to fight a substantial fire. Now insurance men are doing educational work among church architects and are demanding more attention to such matters.

One reason that is blamed for heavy church losses is the inadequate staff around such places. Often one aged manf orms the caretaking staff and a little too much heat in the furnace, lack of attention to the electrical equipment or some such small matter starts a blaze that extinguishes all evidence of its beginning and brings the Ku Klux Klan in for another charge of evil-doing.

February Fire Losses Are Materially Higher

Another warning against the ravages of fire is contained in a recent bulletin issued by the Ontario Safety League. It says that during the week ending February 28 the fire losses in Canada amounted to approximately $2,251,200, an increase over the corresponding week in 1922 of $1,391,200.

The warning of the Fire Marshal ntario is to use—

1. Common sense in handling dangerous materials and supplies.
2. Cleanliness by removing all rubbish and litter.
3. Carefulness with fire and lights. Use only strike on the box matches.

"These are the three C's of the Fire Prevention."

Commercial Trust

The 19th annual statement of the Commercial Loan and Trust Company, Winnipeg, shows net profits for the year at $12,590 after deducting expenses of management, including auditors' and directors' fees, commission, rents, taxes, etc. Dividends took $12,600 with the result that the balance was reduced by a few dollars.

LARGER SPACE AT C. N. E.

The British Government's Overseas Trade Department has decided to treble its space at the Canadian National Exhibition this year, and this exhibit will be in charge of F. W. Field, British Trade Commissioner in Toronto.

DOMINION FIRE TO ISSUE PREFERENCE STOCK

A bill was passed in the House of Commons at Ottawa this month giving the Dominion Fire Insurance Company power to issue this stock to the public.

While life insurance companies in Canada have refrained from issuing preferred stock, a number of fire companies have adopted this plan after they are well established as the preferences obtained by the investor give additional attraction to the stock.

SEEK TO AVOID FLAT CANCELLATIONS

Canadian Brokers Cause Less Difficulty Than Those in United States

There are many phases of insurance in Canada where evils, which abound in other countries, are not found. One, which came to light through the recent conference of fire insurance men in New York, is that of flat cancellation. In the United States cities the dominating force in the fire insurance field is the broker. The result is that many unscrupulous brokers secure the issue of policies covering certain risks, and after some time report the policy as not taken. Thus the company was "on the risk" for a time, yet it receives no premium. Hence the companies have been seeking some means of overcoming the evil. Conferences have ensued but no solution has appeared.

The companies doing business in Canada have not experienced the same difficulty. In the first place the company, not the broker, is the dominant force in the field. To secure continued service and attention from the company, the broker must live up to honorable standards. The result of this is seen in a case where a Toronto broker took a note in payment of a premium. The note was not paid on maturity, when the policy had been in force for two months. The broker immediately called on the company and an agreement was entered by which they divided the loss. Under these conditions a high degree of confidence has been built up between the companies and brokers.

Comparing Losses in Canada and England

The past's year's experience of the fire insurance companies in the United Kingdom has been much more encouraging than that of the companies in Canada and the United States. The losses there showed a decrease of over 23 per cent. in respect of earned premiums, whereas in Canada the losses increased almost 20 per cent. over those of 1921.

Some fire insurance men maintain that certain factors can be pointed to as the reasons for this. They mention the heavy losses experienced by some companies in Northern Ontario and the heavy farm losses. The tendency in the latter case seems to be toward increasing losses owing to the changing complexion of farm operations, some of which have become those of small manufacturing establishments. One loss of this year, caused by a gasoline engine while pulping roots, is cited as an example of the causes.

Other men of much experience in the fire insurance field say that the loss ratio in the two countries cannot be compared and that the experience of the last year is only an instance of the wide fluctuations of losses in different years.

English emigrants to United States numbered 1,973 in last week in February; quota may be exhausted before July 1. Emigration statistics show more Britishers going to America than to all British colonies combined.

FORESTERS PROGRESS CONTINUES STEADY

Financial Statement Shows the Position of the Order Strong

The report of the Independent Order of Foresters for 1922 shows how successful the society has been in placing its affairs on an actuarial basis. After forty-eight years in business, the order has all its reserves on a sound basis and closed the year with a surplus of $790,483; $1,000,000 was put into a special reserve to provide against contingencies such as epidemics. The insurance in force is now $154,000,000 and the assets total $40,715,227. While policy loans are still large, as in the case of most life insurance organizations, they show a gratifying decrease from those of the preceding year.

During the year a considerable change was made in the invested assets of the order, an increase of $921,260 being recorded. A number of railway and industrial securities were sold and the proceeds used to purchase long term government and municipal bonds, resulting in an increase of $1,844,683 in government bonds and of $1,922,107 in municipal bonds. Real estate mortgages also increased by $165,147.

For some years the order has held to a policy of avoiding loans on farm and town property in Western Canada. As a result the arrears of interest due to the depression in agricultural districts are very small, the cash position of the order is good, showing cash in the bank of $471,104 and no loans from that source.

The action of the order in meeting the reserve requirements, although this might have been deferred until 1925, places the security behind its policies in force beyond censure. Moreover, the report showed that it has been able to set aside the necessary funds for reserves and still maintain a large surplus.

INSURANCE ACT FOR THE PRIVY COUNCIL

Validity of Ontario Reciprocal Measure to be Tested

Notice has been received by the attorney-general of Ontario that leave to appeal to the Judicial Committee of Privy Council has been granted in regard to references submitted concerning the respective powers of the Dominion of Canada and the Canadian provinces to legislate on certain phases of insurance.

During the last session of the Ontario legislature. a reciprocal insurance act was passed. The constitutional authority to pass such legislation was challenged by an officer of the Dominion government and other interested persons. The attorney-general gave his assurance that the act would not be brought into force until the question of the legislature's power in the matter was tested in the courts.

Reference was taken to the Ontario courts, the appellate division holding that the legislature had power in this case and the act is valid. However, so many reservations were made in the decision, especially touching criminal legislation passed by parliament, that the department was dissatisfied and it was decided to apply for leave to appeal to the Privy Council. This leave has now been granted and the question will be finally settled there. There are three cases to be decided and these will be considered in the appeal concurrently.

The legislation in question concerned reciprocal or inter-insurance covering all classes of indemnity other than life, accident, sickness and guarantee insurance.

Serial Bond Issue Protected and Matured by Endowment Policies

A novel, yet practical use of endowment insurance is illustrated in a pamphlet just issued by one of the large companies doing business in Canada. The pamphlet starts with a quotation from the prospectus issued by a broker on an issue of $150,000 7½ per cent. first mortgage bonds. The quotation ran as follows:

> "As further assurance to the bondholders, endowment life insurance policies upon the life of Mr. F. W. ——, a director of the company, are pledged with the Trustee for the benefit of the bondholders. These policies mature in the same amounts and on the same dates as the serial instalments of principal of the loan and therefore provide certainty that funds in addition to rentals will be available to promptly care for all requirements. The premiums on these policies are to be paid annually by the Trustee and provision is made that sufficient income from the property must be deposited with the Trustee to promptly care for these premiums."

While the practice of insuring the officers of a company to avoid serious losses after the death of those whose positions demand much training and experience, has been steadily growing, the extension of the use of endowment insurance to provide for bond retirements is not so widely known.

The bond issue referred to in this case was for a warehouse and cold storage company. The maturities of the bonds were so arranged that $5,000 are due in 1923 and 1924 respectively; $10,000 in 1925 and 1926; $15,000 in 1927 and 1928; $20,000 in 1929 and 1930, and $50,000 in 1931. Altogether nine life insurance policies were taken out, one to mature each year when the bonds are due. It is true that the company sacrifices a certain interest return from the money paid in to the trust company for the redemption of the bonds, but in return it gives to the buyer of the bonds a high element of security. This is especially so in the case of companies where the earning power of the plant, equipment, etc., depends largely on the careful watchfulness, judgment and energy of one or two men. If the insurance is arranged to mature serially, as in this case, the amount charged by the insurance company for carrying the risk is not large, since the contract matures at the end of a definite period of time. Moreover, this may be offset by the higher price which may be secured for the bonds.

An alternative plan is to have the bonds mature at one time and place one endowment policy for the total amount of the issue to mature at the same time as the bonds. As in the former case, the policy may be deposited with a trust company, the annual premiums constituting as it were, a sinking fund. In case the insured dies before the maturity of the bonds the money is paid to the trust company, which invests it, as trust funds, until the bonds mature. It then pays off the bondholders and returns any balance there may be to the company which issued the bonds.

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CANADA NATIONAL FIRE
INSURANCE COMPANY
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British Federation to Exhibit at C.N.E.

A comprehensive exhibit of British goods will be made at the Canadian National Exhibition this year by the Federation of British Industries, a large and influential organization of British manufacturers. THE FINANCIAL POST learns that thirty British firms have definitely agreed to take space and some of them are arranging exhibits of considerable size. There are also a great number of others, probably forty, considering the matter. The Federation is anxious whenever possible, to induce firms to send over a director or export manager, or some other responsible official, not only to see the exhibition itself and to push on business here, but to size up the possibilities of the market generally.

Mr. B. M. Bellasis, Organizing Secretary of the Exhibitions section of the British Federation of British Industries will be in charge of the exhibition here.

SHORTER HOURS, HIGHER WAGES

The eight hour day with a corresponding increase in the hourly rate of wages will be included in the demands of the employees of the Ottawa Electric Railway Company for the 1923-1924 contract. Last year the men applied for the eight hour day, but a board of conciliation failed to grant the demand.

QUEBEC'S MINERAL OUTPUT

The total value of the mineral production of the Province of Quebec in 1922 reached $17,898,062. This is an increase of $2,375,074, or 15 per cent., as compared with the figures for 1921, when the value was $15,522,988, the lowest since 1916.

APARTMENT HOUSE RENTALS SHOWING MINOR CHANGE

Investment Interest in the Structures is Growing

NEW PROJECTS

Plenty of Money Available for Investment in First Mortgages on Large Apartment Structures

From Our Own Correspondent.

MONTREAL.—There has not been any important upward movement in rentals this spring, although it was anticipated that apartment house rentals particularly would show some advance. A number of large apartment owners served a notice upon their tenants that for the coming year the rentals would be larger but the notices were met with considerable resistance and the proposed increases have been withdrawn by many of the landlords.

Of late years apartment houses have become an increasingly important form of investment for estates and wealthy individuals. Such investments have been very profitable on the whole and so pronounced has been the improvement in apartment houses from an investment standpoint that some apartments that formerly lost money very heavily are now returning large profits. One apartment house that was put up at the time of the San Francisco earthquake, got a very bad start. Funds had been arranged for its construction from two British insurance companies. These companies were badly hit by the earthquake and fire in San Francisco. Then followed the year 1907 which was one of depression and this apartment house had the utmost difficult in financing at all. For a number of years it ran along with serious losses but since the war has been one of the best paying propositions in Montreal. Other large apartment houses have been built and to date have shown a good record.

Rentals Showed Upward Move

The tendency for the past few years has been for rents continuously to increase. This was due chiefly to the crowding into apartments; the law of supply and demand made itself felt very acutely. However, it is doubtful if the rentals were exorbitant when present replacement values of these structures are considered.

It has been expected for the past year that rentals would eventually drop. There has been very little change but it was significant that any increases that were suggested for this spring either had to be abandoned or were put into effect with great difficulty. Recently A. Guy Ross, of A. G. Ross & Co., who is considered an expert in this type of real estate investment, stated that:

"It will be difficult for landlords to present any reasonably argument for increase of rentals in face of the following facts:

"1. The city tax rate is not going to be increased as was feared.

"2. The assessed values of property, by amendment of the City Charter, cannot for some time to come be increased.

"3. The cost of building materials and those used in repairs has fallen.

"4. The wages of those employed in building trades are a little lower than formerly in conformity with the general reductions in the cost of labor, at the same time it is admitted that a better day's work is given in quantity and quality."

Financing By Bonds

While these apartment house enterprises have been financed chiefly by small syndicates or even by individuals, the tendency is likely to be for smaller investors to be invited to contribute. It is easy to raise money on first mortgage for apartment houses. Promoters and capitalists who have been known to have such projects in mind have been approached by the investment officers of New York investing institutions, the life insurance companies, chiefly, and have been offered almost any amount they require to finance such structures. But the stumbling block is the 30 or 40 per cent. of the total investment that comprises the equity back of the first mortgage. Either this has to be supplied by the promoters or they have to dig it up from the public by the sale of preferred stock or second mortgage bonds. This is a rather expensive way of raising capital but it is quite likely that two or three propositions that will go ahead in the next year or two, will be financed in this manner.

Options have been taken on two of the finest sites in Montreal by parties who plan the erection of apartment houses. In each case the size of the apartment plan is amazing and indicative of the present tendency. One house, it is planned, will have about 250 apartments and the second goes into figures that have never before been attempted in the British Empire. Tentative plans call for over 600 apartments and a total of 1,900 rooms, while the estimated annual income would be $1,200,000. This project is nowhere near completion even of the original plans, for there is a good deal of hesitancy on the part of financial interests to get into a scheme that involves the expenditure of several millions of dollars.

The West Offers Prosperity for the Industrious and the Thrifty

(Continued From Page 1.)

ing on a meal a day. This particular immigrant lived for four days on one meal, and I remember on one occasion he lived for five days on one meal, and the last six weeks of the year in which he graduated he lived for ten cents a day, and was denied the privilege of writing home to his parents, because he did not have the money for postage. His parents were then living but have since died. He graduated from that institution, and is to-day a member of the Dominion Parliament. He is still in his thirties, and by no means a physical wreck. I wish to say that even the discussions that have taken place on this subject have not shaken my faith in the Dominion of Canada. With that experience, Mr. Chairman, could I honestly and conscientiously deny young ambitious men the right to come into this country?"

Glad That He Came

Mr. Hoey having demonstrated that confession is good for the soul, A. J. Lewis, who as a youth had also come to Canada from England, and won a college education and a seat in Parliament, stood up and spoke of his experiences as follows:

"I am not sorry that I came to this country, I am glad that I came. The Hon. member for Springfield tells us about coming to this country and working his way through university. I may tell him that I was in the same position when I came to Canada. I took the first job offered me. I was told I had an appointment in Winnipeg when I came here, but I found the agent was lying to me. I simply settled down and took the first job I could get. After a number of years I saved enough to take a university and theological course, and I had a wife and family at the same time. A country where there is this possibility of a man of ambition getting through I think, is a worth-while country. There is nothing wrong with the country. But it is probably our internal conditions that make it what it is at the present time."

The premiers of three of the four western provinces are Old Countrymen who came to Canada in their youth, and to their credit be it said that they worked as ordinary farm hands. Their names are: Hon. C. A. Dunning of Saskatchewan, Hon. Herbert Greenfield of Alberta, Hon. John Oliver of British Columbia. Each of the three is outstanding, having attained his big position through the divine right of industry and integrity.

Premier Dunning came to Canada at seventeen years of age, a weakly lad, in search of health, who thought that it might be found in the broad spaces of the West. He went right through to Saskatchewan, took a farm hand's job, then got a homestead and started to climb. Taking part in discussions at the various farmers' meetings he attended, his ability was soon recognized, and when the Saskatchewan Co-operative Elevator Co. wanted a manager, he was given a trial and made good. When Premier Martin looked around for likely Cabinet material, Dunning caught his eye, and he was made a minister of the Crown. Five years later he was premier.

Premier Greenfield came to Canada when twenty-three years old. He hired out with a farmer in Ontario, but obeying Horace Greeley's injunction: "Go West, young man, go West"—he picked up his belongings and headed for Edmonton, finally selecting a homestead in a district to the north of that city. In municipal affairs he demonstrated his capacity and in 1921, when the United Farmers of Alberta wanted a man to form a Government, they chose Greenfield. To-day he gets a ready hearing whenever he speaks in any part of Canada.

Oliver Swung an Axe

Premier John Oliver as a lad came with his father and family to Canada, and put in seven years hard work on a farm in Ontario. Even after he struck out for British Columbia he swung an axe as a member of a construction gang in the Fraser valley. But he was marked for promotion, and in due time became head of the Government of his province.

But these are only a few of many shining examples of success won by those who, without advantages, have migrated from the British Isles. There is, for example, Hon. George Hoadley, Alberta's Minister of Agriculture, who coming from Cumberland, went straight to the Calgary district and took a job as a farm hand, and indeed did anything. Hon. George Langley of Saskatchewan is another example of an Englishman, and a homesteader who has become famous. There is also Robert Forke, Progressive leader in the House of Commons, who migrated to Canada when a boy, took the first job he could get and recently told Parliament, "I am glad I came."

The British Isles have also given Canada two prime ministers, Sir John Macdonald, who was born of humble parentage in Glasgow, and Alexander Mackenzie, the Scottish stonecutter. In his life of Sir John Macdonald, Sir Joseph Pope reports Sir John as saying: "I had no boyhood. From the age of fifteen I began to earn my own living." Mackenzie's first job was secured in Kingston, and when he could not get what he wanted at his own trade, he took to carpentering and made a success of it.

Always Pessimists

That there is not much change in human nature during the course of years is evident from the following taken from another portion of Pope's life of Macdonald, where the historian says: "A few years ago, when certain pessimists were dismally predicting that the North-West would never become a wheat-producing country by reason of the liability to summer frosts, Sir John Macdonald observed to me: 'Such people are always to be found. I remember when a lad, hearing my father express an idea of moving up to the up to Port Hope,' said he, 'you can-farming, an old neighbor shook his head. 'There is no use in your going up to Port Hope,' said he, 'you cannot grow wheat there for the summer frosts kill everything.'"

A country that has developed such men as these worthies is surely good to live in. Canada is a land where industry, personality and initiative win success. For examples of this one has but to look around him. Young men possessing these qualities, together with good health, can't help but make good. They may not all make a fortune, but they have more than an even chance to gain a competence, to say nothing of an honored position among their fellows. Adversity will not daunt them; danger, rather, lies chiefly in the dulling of their initiative.

Better Outlook Now in Western Canada

One of the most disappointing years ever experienced in Western Canada, is the way the managing director of the Canadian Guaranty Trust Company of Brandon, refers to the period covered by the company's annual report. Continuing, however, he points out that while business has been done under very difficult conditions, undoubtedly the situation as compared with 1921 shows some improvement. The company showed net profits of $17,278 as compared with $21,062 in 1921. The dividend took $16,188 and the remainder was added to the balance.

	1922	1921	1920
Net profits	$17,278	$21,063	$22,667
Bal. forward ...	5,750	5,753	5,611
	$23,028	$26.816	$28,278
Dividend	16.188	16,066	15,525
Reserve		5,000	5,000
Contingent			2,000
Balance	6,840	5,750	5,753
	$23,028	$26.816	$28,278

Employers of more than one-half of 3.800 clothing workers in Baltimore, who struck Wednesday, concede operatives' demand for increased wages and 44-hour week.

The Independent Order of Foresters

Assets and Liabilities

December 31, 1922

ASSETS

Real Estate (appraised value)	$ 1,386,026.91	
Loans on Mortgages (Real Estate) ..	3,681,734.03	
Loans secured by collateral	3,568,127.22	
Bonds	12,861,147.16	
Stocks	397,487.66	
Accrued Interest	440,063.09	
Cash in Bank	471,104.74	
		$22,805,690.81
Policy Loans		17,909,537.00
Total Assets		**$40,715,227.81**

LIABILITIES

Claims not completed	$291,729.98	
Accounts Payable	5,418.30	
Premiums paid in advance	10,874.33	
Net Sickness Fund	79,653.57	
		$ 387,676.18
Insurance Reserve		38,537,068.00
Special Reserve		1,000,000.00
Surplus		790,483.63
Total Liabilities		**$40,715,227.81**

Increase in Invested Assets	**$ 921,260.52**
Insurance in force December 31, 1922	**$154,000,000.00**

GEORGE R. COTTRELLE
Treasurer

W. H. HUNTER
President

HEAD OFFICE - TORONTO
CANADA

Wm. A. Rogers, Limited

Report of the Directors to the Shareholders for the Year Ended December 31, 1922

The Directors present to the Shareholders their Twenty-second Annual Report with accompanying statement of Assets and Liabilities as at December 31st, 1922:

Profit and Loss Bal. brought forward from 1921	$218,470.45	
Less: Additional Federal Taxes	294.95	
	$218,175.50	
Profits for the year	116,092.82	
		$334,268.32

The Appropriations were as follows:

Transferred to Realty and Plant Reserve	$113,305.29	
Dividends on Preference Stock for current year at the rate of 7 per cent. per annum	78,596.00	
Payment to Canadian Wm. A. Rogers, Ltd., re dividend guarantee	35,000.00	
		$226,901.29
Balance forward to 1923		$107,367.03

During the greater part of the year the company's business was much below normal. Trade revived, however, in the later months, and reached a satisfactory volume in the final quarter of the year.

Four quarterly dividends on the Preference Shares were paid during the year. The arrears on the Preference Stock are still 7 per cent.

As was intimated in last year's report, this company paid the sum of $35,000 to Canadian Wm. A. Rogers, Limited, under the agreement with that company, covering the year ending April 1st, 1922. A similar payment probably will have to be made for the year which ends with April 1st, 1923. The agreement will expire on April 1st, 1924.

The prospects for 1923 are such that the Directors expect a satisfactory year.

By order of the Board,
S. J. MOORE,
President.

Statement of Assets and Liabilities, December 31, 1922

ASSETS

Real Estate		$515,471.10	
Property Purchased for Employees ..	$22,974.33		
Less Mortgages Thereon	10,076.29		
		12,898.04	
Plant, Machinery and Equipment		937,095.85	
Investments in Other Companies		168,001.00	
Trademarks and Goodwill		850,000.00	
			$2,483,465.99
Prepaid Expense		55,027.28	
Discount on Securities Sold		15,155.94	
			70,183.22
Merchandise		$1,399,756.62	
Accounts and Bills Receivable		645,242.80	
Cash at Bankers and in Hand		184,050.09	
			2,229,049.51
			$4,782,698.72

LIABILITIES

Capital Stock Issued:			
Preference Stock	$1,122,800.00		
Ordinary Stock	1,500,000.00		
		$2,622,800.00	
Six Per Cent. Serial Bonds		425,000.00	
			$3,047,800.00
Dividends on Preference Stock, payable 2nd January, 1923		$19,649.00	
Accounts and Bills Payable		658,152.24	
Accrued Interest on Bonds		10,625.00	
			688,426.24
Realty and Plant Reserve		589,105.45	
Reserve Account		350,000.00	
Profit and Loss Account		107,367.03	
			$1,046,472.48
			$4,782,698.72

At the Twenty-second Annual Meeting of Shareholders held on March 20th, 1923, the President, Mr. S. J. Moore, reviewed at length the Company's operations of the past year.

The Board of Directors was re-elected as follows: Messrs. S. J. Moore, W. D. Ross, C. W. Colby, Ph.D., Hon. H. S. Duell, A. E. Ames, R. E. Sage and E. G. Baker.

The officers were re-elected as follows: S. J. Moore, President; W. D. Ross, Vice-President; R. E. Sage, General Manager; E. G. Baker, Secretary, and W. N. McLeod, Assistant Secretary.

Our Bond Department

This Bank has a complete Bond Department always at the service of clients. Constantly in close touch with financial markets, this service is invaluable to anyone contemplating investment of large or small amounts.

We deal in strongly protected securities, such as Government and Municipal Bonds.

IMPERIAL BANK
OF CANADA
OVER 200 BRANCHES IN DOMINION OF CANADA.

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited. Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank. Limited. Credit Lyonnais.

P. Lyall & Sons Construction Company, Limited
Toronto - Montreal - Ottawa

MANUFACTURERS

We are now ready to quote some very attractive contract prices on coal and coke. Kindly write advising tonnage you expect to require.

Acme Coal and Coke Co. Limited.

C.P.R. BUILDING Adelaide 5562 TORONTO

LA ROSE MINES LIMITED

(No Personal Liability)

OFFICERS:

D. LORNE McGIBBON, President.
EDWIN HANSON, Vice-President.
STEPHEN J. LeHURAY, Secretary and Treasurer.
G. C. BATEMAN, General Manager.

DIRECTORS:

D. LORNE McGIBBON
G. C. BATEMAN
W. M. DOBELL
DAVID FASKEN, K.C.
EDWIN HANSON
E. W. NESBITT
GEO. PARENT, K.C., M.P.
S. J. LeHURAY
SIR THOMAS TAIT

THE PRESIDENT'S REPORT

To the Shareholders:—

I submit the reports of the Treasurer and the General Manager of the Company for the fiscal year ending December 31st, 1922.

The reports show in detail the results of the year's operations, the financial position of the Company and the physical condition of your properties.

The profits for the year amounted to $44,078.34, as follows:—

COMBINED PROFIT AND LOSS STATEMENT OF LA ROSE MINES LIMITED AND UNIVERSITY MINES LIMITED

Gross Settlement for Ore:—		
Shipments prior to 31st December, 1921		$ 46,458.67
Shipments during 1922		258,843.06
Gross settlement during year		$305,301.73
ADD—Gross value of ore in transit at Smelters and at mine, 31st December, 1922		95,170.93
		400,472.66
DEDUCT—Gross value of ore in transit at Smelters and at mine, 31st December, 1921		77,527.14
Gross value of ore produced in 1922		$322,945.52
Cost of mining and all other expenses, including marketing ore deductions and expenses and depreciation on buildings and equipment		302,065.92
		20,879 60
OTHER INCOME—		
Ground rents, less collection expenses	$ 5,762.69	
Interest, discount and exchange	17,436.05	
		23,198.74
		$ 44,078.34

The combined net current surplus as at December 31st amounted to $409,062.11 and includes:—

Cash in Bank	$224,658
Victory Bonds	100,000
Ore on hand and in transit, supplies, etc., less current liabilities	84,404

D. LORNE McGIBBON,
President.

Montreal, February 19th, 1923.

EXTRACTS FROM GENERAL MANAGER'S REPORT

The combined operations of the La Rose and University properties resulted in a production of 469,146 ounces of silver, having a gross value of $322,945, which includes $7,143, being the value of cobalt in the ore. The output consisted of 70.26 tons of high grade, containing 153,325 ounces and 24,784 tons of mill rock, containing 393,809 ounces. From the mill ore there was recovered 381 tons of concentrate, containing 315,821 ounces. The mill ore averaged 15.89 ounces a ton, and the concentrate 827 ounces a ton. The average of the high grade was 2,180 ounces a ton. Due to the falling off of the cobalt market, the revenue from this source was considerably less than in the previous year, and this resulted in a small increase in the cost of marketing, which was partly offset by the higher grade of concentrate produced.

In the early part of the year the suit between M. J. O'Brien Limited and La Rose regarding the position of the Violet boundary was finally decided against La Rose. An application was made for permission to appeal to the Privy Council, but, as permission was refused, it was necessary for La Rose to stop work on this property. The area in dispute was small, but it contained the shaft through which access was obtained to the Violet workings. Prior to the sinking of the shaft an Ontario Land Surveyor was engaged to locate the boundary of the property. The position of the O'Brien corner posts which determined the west boundary of the Violet, was agreed upon by the Land Surveyor and the O'Brien engineers, and the shaft was sunk well within the line between these posts. It was not until after the shaft had been sunk that any question arose as to the location of the corners and of the location of the shaft in respect to them. The judgment provided for a reference to determine whether or not La Rose owed anything for ore extracted from the disputed territory, but so far no action has been taken. La Rose operations in this disputed area did not show any profit.

In October the big Haileybury fire occurred, which damaged the transmission lines of the power company and necessitated a general shut-down throughout the camp for a period of approximately two weeks. During this interval the customs mill, which treated La Rose ore, was sold, and as it was disposed of under authority of the bondholders for default in bond interest, the La Rose contract was automatically cancelled. Work on the different properties, with the exception of the Princess, was not resumed when power again became available, until new arrangements could be made.

Negotiations were entered into with M. J. O'Brien Limited for the purchase or rental of the shaft, but they refused to consider any arrangement. It was finally decided to sink a new shaft, which was started in December, and at the end of January was down 240 feet. During January a distance of 155'2" was sunk, which constitutes a new shaft sinking record for Ontario. Although new milling arrangements could have been entered into, almost immediately, it was decided not to resume milling until ore from the Violet was again available. As soon as the organization for the new shaft was completed, development work was again started at the University and La Rose Extension properties.

NEW PROPERTIES:

In the early part of the year the University workings were approaching the west boundary and in order to protect the company on the extension of any veins which might be found in this section, the Cleopatra and Montreal Syndicate properties adjoining the University were taken over. The Cleopatra property, consisting of 53 acres, was purchased outright for a small sum, and the Montreal Syndicate property of 13 acres was leased for three years on favorable terms. A number of other properties in different parts of Canada were investigated and the company entered into negotiations for a working option on a promising property in the Porcupine district. Terms have been agreed upon, but due to delay in transferring titles the actual agreements have not yet been signed. As soon as this is done, diamond drilling will be started on the property.

SUMMARY:

The La Rose and University net production for the year was 469,146 ounces, from which was realized a profit of $44,078. This is a decrease of both production and profit, as compared with the previous year, and is accounted for by the stoppage of work at the Violet in July, and the loss of production from the University and La Rose following the shut-down in October. Operations at the Princess during the last three months of the year produced sufficient ore from development and the opening of the stope to show a profit, but as the ore was not shipped, it is not shown in production. The costs, however, are included in the operating expenses and reduce the profit to that extent. The total costs per ounce were 59 cents and the price realized was 67.36 cents per ounce.

During the year a dividend of $150,000 was paid, and the combined net current surplus now stands at $409,062, and includes cash in the banks $224,658 and Victory Bonds amounting to $100,000.

Respectfully submitted,
G. C. BATEMAN,
General Manager.

WHY B.E. STEEL DID NOT SHOW $500,000

President States Part Went to Depreciate Dominion Iron and Steel Inventories

From Our Own Correspondent.

MONTREAL.—Roy M. Wolvin, president of the British Empire Steel Corporation, gave THE FINANCIAL POST this week an explanation as to how the $4,500,000 received from the Dominion government as damages in connection with the cancellation of the ship plates contract was taken into the books of the company. It will be recalled that the annual statement for 1922 showed only $4,000,000 as having been received from the government.

Mr. Wolvin's explanation is that "during the period ending 31st December, 1921, the sum of $3,000,000 was received and of this amount $500,000 was carried into the revenue account of the Dominion Iron & Steel Company and the balance was put in reserve until the full amount to be received was determined. This balance of $2,500,000 appears on the 1921 statement as balance of amount received from the Dominion government in respect of cancellation of contract for ship plates."

He added:

"Part of the $500,000 carried into revenue account was used to defray the expenses incurred in preparation of the case for submission to the Exchequer Court. These expenses included services of experts engaged to give evidence, of Chartered Accountants who prepared statements to be submitted to the Court and of Solicitors who conducted the case for the company at the preliminary hearing. The balance not required for this purpose was applied to the reduction of inventory values.

"During the past year the case was settled largely upon the evidence produced at the preliminary hearing and $1,500,000 was received in complete liquidation of the company's claim. This amount along with $2,500,000 previously held in reserve, making $4,000,000 in all, was transferred to surplus as shown on the published statements.

"The total amount received was $4,500,000. Of this $500,000 was taken up in the 1921 accounts and the remaining $4,000,000 in the 1922 accounts.

"There is nothing mysterious in the transaction."

The statement of Mr. Wolvin did not divide the sums taken for inventory depreciation from the sums spent on legal fees in connection with the case. The question is still left open as to why $500,000 of the sum should have been utilized without any indication of its receipt in the published statements, although $4,000,000 was shown. Half of the $4,000,000 was used to write down the cost of the plate mill. There is, of course, a difference between inventory depreciation and a writing down of a capital asset, but the question of the disposal of the $500,000 would never have arisen if it had been taken into the statements and then disposed of under disbursements and appropriations.

In any event the British Empire Steel Corporation must be granted to have made an excellent bargain on the deal. Their claim was for $4,600,000. After negotiations with the government—in fact, with the last two governments—they settled the claim out of court for $4,500,000.

GOOD VALUES FROM ABITIBI SHAFT VEIN

Company Amply Financed to Carry on Active Development Work

The Abitibi Mines, Lightning River, are now in a financial position to drive ahead their development to prove up this new mining camp in Northern Ontario. D. S. Paterson and Co. announces the conclusion of a contract with a strong U.S. syndicate which will supply the capital for the work. It is believed that this work will carry development to the stage where the volume of ore blocked out will justify mill construction.

The company has carried on its development work all winter and ore now in sight in the bottom of the shaft is a rich quartz vein, well mineralized and of good values. The early favorable predictions made on this property by prominent engineers have been confirmed to date.

The Abitibi Mines adjoin the property of the Mining Corporation where extensive diamond drilling has been in progress this winter. On the west is the group of claims being developed by a syndicate headed by J. G. Beatty and Co., while immediately south are the McDermott and O'Neill properties, the former financed in New York and the latter by a group of officials of the Abitibi Power and Pulp Co. at Iroquois Falls. This makes a group of five contiguous companies who are sufficiently financed for a season of active mining and important developments are confidently looked for.

The Abitibi shaft will be carried down to the 200-ft. line before any lateral work is undertaken. A compressor and other machinery have been purchased.

Moore Group Reports Business Swings Up

The annual meeting of several companies of the Moore Group, the Burts and W. A. Rogers, were held during the past week. The feature of the meetings was the report on improved business conditions for the year to date as compared with last year. During 1922 the F. N. Burt entered the paper drinking cup field and it is being predicted that this venture will be a profitable branch of the company's operations. Pres. Moore when asked by a shareholder as to the dividend prospects stated that owing to the expansion plans it was preferable that any distribution be postponed to a later date. In regard to W. A. Rogers, Pres. Moore pointed out that business during the first six months of last year was poor, but had shown substantial improvement in the final period of the year, and this improvement had continued into the current year. In fact, the company had the best volume of business for the opening months of the year that it has ever experienced for periods corresponding. The outlook for the current year was therefore most encouraging.

Canada Cement Company

LIMITED

ORDINARY SHAREHOLDERS' DIVIDEND No. 28

NOTICE IS HEREBY GIVEN that a dividend of 1½% for the three months ending March 31st, 1923, being at the rate of 6% per annum, on the paid-up Ordinary Stock of this Company has been declared, and that the same will be paid on the 16th day of April next to Ordinary Shareholders on record at the close of business March 31st, 1923.

H. L. DOBLE,
Secretary.

MONTREAL, March 15th, 1923.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A Dividend of two per cent. (2%) has been declared payable at the Office of the Company, in Montreal, on April 14, 1923, to shareholders of record at the close of business on March 23, 1923.

WM. GEO. SLACK,
Treasurer.

Montreal, March 14, 1923.

Woods Manufacturing Co.

LIMITED

PREFERRED STOCK DIVIDEND NOTICE

The regular quarterly dividend of One and Three-Quarters per cent. (1¾%) on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending March 31st, 1923, has been declared payable April 2nd, 1923, to shareholders of record March 22nd, 1923.

By Order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.

MONTREAL, March 14th, 1923.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1923, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of April, 1923, to shareholders of record of the 20th March, 1923.

By order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 23rd February, 1923.

ABITIBI POWER & PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Quarterly Dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Ltd., payable the 2nd day of April, 1923, to Shareholders of record at the close of business the 20th day of March, 1923.

By order of the Board.

L. R. WILSON,
Secretary.

THE WABASSO COTTON COMPANY, LIMITED

DIVIDEND No. 21

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending March 31st, 1923, payable April 3rd, 1923, to shareholders of record at the close of business on the 15th of March, 1923.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, March 8th, 1923.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND No. 19

NOTICE IS HEREBY GIVEN that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of May, 1923, to Shareholders of record at the close of business on April 1st, 1923.

By Order of the Board.

H. G. LAUX,
Treasurer.

Dated at Toronto, March 16th, 1923.

PROVINCIAL PAPER MILLS

LIMITED

Regular Quarterly Dividend, 1½%, on Common Stock.

All payable on April 2nd, 1923, to Shareholders of record at close of business, March 15th, 1923.

(Signed) S. F. DUNCAN,
Treasurer.

DIVIDEND NOTICE

Notice is hereby given that Dividends have been declared by Provincial Paper Mills, Limited, as follows:

Regular Quarterly Dividend, 1¾%, on Preferred Stock.

City of Guelph - Debentures

$509,254.00

Sealed Tenders will be received up to 7.30 P.M., March 29th, 1923, for all of the following issues:—

$365,000.00	20 year 5% Dated June 30, 1922. For New Collegiate Institute and Vocational School.
60,627.00	30 year 5½% Dated Dec. 31, 1922. For Domestic Sewers.
45,344.00	10 year 5½% Dated Dec. 31, 1922. For Pavements.
18,181.00	10 year 6% Dated Dec. 31, 1922. For Pavements.
15,679.00	14 year 5½% Dated Dec. 31, 1922. For House Sewer Connections.
4,423.00	20 year 5½% Dated Dec. 31, 1922. For Sidewalks.
$509,254.00	

All of the above are straight term debentures with half-yearly interest coupons attached, both payable at the office of the City Treasurer, Guelph, Ontario.

Immediate delivery can be made of all these issues.

H. J. B. LEADLAY, City Clerk.

Laurentide Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared upon the Capital Stock of this Company for the quarter ending March 31st, 1923, payable Tuesday, April 3rd, 1923, to Shareholders of record at the close of business March 22nd, 1923.

By order of the Board of Directors.

W. F. ROBINSON,
Secretary.

Montreal, March 13th, 1923.

The Toronto Mortgage Company

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of Ten Per Cent. Per Annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st APRIL, 1923

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

LA ROSE MINES LIMITED

(No Personal Liability)

Dividend Notice

The Board of Directors has declared a dividend of 10 per cent., equivalent to 10 cents per share, payable March 24th, 1923 to shareholders of record of March 8th, 1923.

The transfer books of the Company will close March 8th and re-open April 7th.

S. J. LeHuray,
Secretary.

Montreal, March 5th, 1923.

THE TRINIDAD ELECTRIC RAILWAY

The Trinidad Electric Company, Ltd.

Notice is hereby given that a dividend of 1% for the quarter ending March 31st, 1923, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of April, 1923.

The transfer books of the Company will be closed from the 1st to the 10th of April, both days inclusive.

By order of the Board.

F. B. OXLEY,
Secretary.

THE PORTO RICO RAILWAYS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT a quarterly dividend of One and Three-Quarters per cent. (1¾%) on the Preferred Stock of this Company has been declared payable on the 2nd day of April, 1923, to shareholders of record at the close of business on the 15th day of March, 1923.

BY ORDER.

T. A. SPOOR,
Secretary.

City of Edmonton

Alberta, Canada

The following Bonds of the Series "T" due October 1st, 1929, have been drawn for redemption on April 1st, 1923.

37	604	1108	1572	1804	2131	2649
38	605	1109	1607	1805	2132	2650
70	606	1114	1608	1827	2139	2651
77	607	1117	1614	1829	2140	2655
80	611	1119	1615	1898	2141	2664
82	623	1219	1616	1899	2162	2665
95	625	1220	1661	1900	2202	2666
96	704	1221	1662	1905	2211	2667
97	718	1229	1663	1906	2216	2669
98	719	1230	1665	1915	2221	2681
108	720	1231	1664	1916	2242	2682
109	721	1250	1666	1938	2284	2690
110	752	1254	1667	1939	2285	2694
165	754	1261	1668	1943	2286	2695
166	755	1262	1669	1983	2336	2700
167	784	1263	1670	1984	2355	2751
170	800	1264	1671	1985	2356	2779
171	811	1265	1673	1986	2357	2780
173	812	1266	1674	1990	2358	2781
176	844	1285	1676	1991	2359	2782
180	845	1299	1678	1992	2381	2783
181	847	1300	1679	2012	2382	2784
182	851	1318	1680	2013	2386	2785
183	855	1319	1681	2014	2387	[illegible]
202	856	1330	1696	2015	2388	[illegible]
203	858	1336	1706	2018	2391	[illegible]
204	881	1337	1748	2062	2407	[illegible]
206	884	1338	1753	2063	2410	2840
207	885	1341	1754	2079	2411	2841
275	886	1342	1755	2080	2415	2842
276	887	1345	1757	2102	2416	2844
320	888	1346	1758	2103	2417	[illegible]
321	889	1347	1759	2104	2421	[illegible]
322	952	1470	1760	2116	2442	[illegible]
323	957	1471	1761	2117	2443	2897
324	958	1472	1762	2118	2444	[illegible]
343	1023	1482	1763	2120	2513	2953
344	1024	1483	1771	2121	2568	2954
352	1025	1484	1772	2122	2601	[illegible]
388	1031	1504	1773	2124	2602	2967
497	1060	1507	1774	2125	2633	2970
498	1061	1571	1775	2126	2648	2971

And note further that interest on the above Bonds will cease to run from April 1st, 1923.

Dated at Edmonton, Alberta, March 2nd, 1923.

F. BARNHOUSE, City Treas.

TENDERS FOR County of Carleton Debentures

Sealed tenders addressed to the undersigned, will be received up to 12 o'clock noon, March 29th, 1923, for the purchase of the following blocks of debentures, all bearing 5½% interest, with 20 coupons attached.

$120,000.00	payable in 20 equal annual instalments.
55,000.00	payable in 20 equal annual instalments.
30,000.00	payable in 5 equal annual instalments.

All tenders to be made Ottawa funds.

Debentures to be dated April 1st, 1923.

HENRY R. WASHINGTON,
County Treasurer.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

NOTICE is hereby given that a Dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up of this Bank, and will be payable at its Head Office, in this City, on and after Tuesday April third next, to shareholders of record Thursday, March fifteenth next, at three o'clock p.m.

By order of the Board,

A. P. LESPERANCE,
Gen. Mgr.

Montreal, February 26th, 1923.

NIPISSING MINES CO., LTD.,
Head Office, Toronto, Canada.
March 19, 1923.

The Board of Directors has today declared a Quarterly Dividend of THREE PER CENT. payable April 20, 1923, to shareholders of record March 31, 1923. Transfer books close March 31, 1923, and reopen April 18, 1923.

P. C. PFEIFFER, Treasurer.

You Can Still Get From 6.50% to 7% on Your Money

by investing in good Corporation securities, but we do not anticipate that these will stay at present prices for long. They should advance.

Government and Municipal Bonds have gone up in price, and Corporation Bonds have advanced substantially. But we think Corporation Bond prices will go higher.

This, therefore, is an advantageous time to buy Corporation Bonds. In fact, it would be good judgment to sell other securities now showing a profit, re-invest in Corporation Bonds, and hold for a further profit.

Write for our list. There are some excellent "offerings" on it; and we will suggest profitable "trades" for you.

W. A. MACKENZIE & CO. LIMITED
INVESTMENT BANKERS

38 King Street West
TORONTO

326 Transportation Bldg.
MONTREAL, Que.